

Scheme Booklet Registered with ASIC

InvoCare Limited (IVC:ASX) (“**InvoCare**”) refers to the announcement made on Friday, 22 September 2023 in relation to the proposed acquisition by Eternal Aus BidCo Pty Ltd ACN 669 053 258 (“**TPG BidCo**”), an entity ultimately owned by funds managed or advised by TPG Capital Asia (“**TPG**”) or its related entities, of all the issued capital of InvoCare which is not already held by it or its related entities, by way of a scheme of arrangement (“**Scheme**”), and the orders made by the Supreme Court of New South Wales that InvoCare convene and hold a meeting of InvoCare shareholders (other than TPG shareholders) (“**InvoCare Shareholders**”) to consider and vote on the Scheme (“**Scheme Meeting**”) and approving the distribution of an explanatory statement providing information about the Scheme and notice of Scheme Meeting (“**Scheme Booklet**”) to InvoCare Shareholders.

Scheme Booklet

InvoCare confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**).

A copy of the Scheme Booklet, which includes the Independent Expert’s Report and notice of Scheme Meeting, is attached to this announcement as **Annexure A** and will be made available electronically for viewing and downloading at <https://www.invocare.com.au/investor-relations>.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as the proxy forms, are expected to be dispatched to InvoCare Shareholders shortly.

The Scheme Booklet provides InvoCare Shareholders with important information about the Scheme. InvoCare Shareholders are advised to read the Scheme Booklet carefully in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Independent Expert’s Report

The Scheme Booklet includes a copy of the Independent Expert’s Report prepared by Kroll Australia Pty Ltd (**Independent Expert**).

The Independent Expert has concluded that the Cash Consideration of \$12.70 per InvoCare Share is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders, in the absence of a superior proposal. The Independent Expert has assessed the value of InvoCare Shares to be between \$11.61 and \$13.00 per InvoCare Share. The Cash Consideration of \$12.70 per InvoCare Share is above the valuation mid-point of \$12.31 per InvoCare Share. The Independent Expert has not provided an opinion on the Scrip Consideration Options available to InvoCare Shareholders.

The Independent Expert’s conclusion should be read in context with the full Independent Expert’s Report which is Appendix C of the Scheme Booklet.

Recommendation of the InvoCare Board

The InvoCare Board unanimously recommends that InvoCare Shareholders vote in favour of the Scheme, and each director of the InvoCare Board intends to vote all of the InvoCare Shares in which they have a

relevant interest in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders. The InvoCare Board makes this recommendation only in respect of the Cash Consideration and makes no recommendation in relation to the Scrip Consideration.

Special Dividend

In addition to the Scheme Consideration, InvoCare intends to pay a fully franked Special Dividend of up to \$0.60 per InvoCare Share on or before the Implementation Date. There may be an opportunity for eligible InvoCare Shareholders, subject to their marginal tax rate, to receive a benefit from franking credits attached to any such Special Dividend. The amount payable under the Scheme will be reduced by the cash amount per share of any Special Dividend (but not the value of any franking credits).

The Special Dividend is conditional on the Scheme becoming effective and the declaration and payment of a Special Dividend remains at the discretion of the InvoCare Board and will be subject to tax advice.¹

Scheme Meeting

The Scheme Meeting is currently expected to be held at 10.00 am (Sydney time) on Tuesday, 31 October 2023, in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000 and virtually via the online meeting platform at <https://meetings.linkgroup.com/IVCScheme23>. InvoCare Shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, ask questions and make comments.

Assuming the Scheme Meeting is held on Tuesday, 31 October 2023, each registered InvoCare Shareholder as at 7.00pm (Sydney time) on Sunday, 29 October 2023 will be eligible to vote at the Scheme Meeting.

All InvoCare Shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Scheme Meeting in person or virtually, or by proxy, attorney or corporate representative. The notice of Scheme Meeting provides InvoCare Shareholders with information on how to lodge the proxy form (if applicable).

InvoCare Shareholders are encouraged to vote as early as possible.

InvoCare Shareholders should carefully read the Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. InvoCare Shareholders should also seek professional advice on their individual circumstances, as appropriate.

Unless otherwise indicated, capitalised terms used in this announcement have the meaning given to them in the Scheme Booklet dated 22 September 2023.

Court hearing for approval of the Scheme

If the Scheme is approved by the required majorities at the Scheme Meeting, then at 9.15 am on 3 November 2023 the Supreme Court of New South Wales will hear an application by InvoCare seeking the approval of the Scheme. If you wish to oppose the approval of the Scheme, you must file and serve on InvoCare a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on InvoCare at its address for service at least 1 day before the hearing. The address for service is (Attention: Peter Sise) Clayton Utz, Level 18, 333 Collins Street, Melbourne Victoria 3000 (psise@claytonutz.com).

¹ InvoCare intends to apply to the ATO for a class ruling on the treatment of the Cash Consideration and the Special Dividend in the hands of Australia resident InvoCare Shareholders.

Further Information

If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or + 61 1800 774 615 (outside Australia), Monday to Friday (excluding public or bank holidays in Sydney, Australia) between 8.30am and 5.00pm (Sydney time).

-ENDS-

This announcement has been authorised by the Board of InvoCare Limited.

For more details, contact:

Media – Clive Mathieson at clive@catoandclive.com

Investor Relations – Emma Roche at investor.relations@invocare.com.au

BACKGROUND

InvoCare, headquartered in Sydney, is a leading provider of funeral services in Australia, New Zealand, and Singapore, and operates private memorial parks and crematoria in Australia and New Zealand. It is also a leading provider of pet cremation services in Australia.

Annexure A - Scheme Booklet



SCHEME BOOKLET

VOTE IN FAVOUR

For a scheme of arrangement in relation to the proposed acquisition of InvoCare Limited by Eternal Aus BidCo Pty Ltd an entity ultimately owned by funds managed or advised by TPG Capital Asia.

InvoCare directors unanimously recommend that you vote in favour of the scheme in the absence of a superior proposal and subject to the independent expert continuing to conclude that the scheme is in the best interests of InvoCare shareholders.

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

Financial Advisers

**Goldman
Sachs**

Legal Adviser

GRESHAM

CLAYTON UTZ

If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia) on Business Days at any time between 8:30am and 5:00pm (Sydney time) on Monday to Friday.



InvoCare is committed to reducing the environmental footprint associated with the production of this document and printed copies are only posted to shareholders who have elected to receive a printed copy.

Cover image

A surfing paddle-out, a floating memorial held in the ocean. Photo credit, **Jay Headley**

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Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote on the Scheme Resolution. You should also consult your legal, financial, tax or other professional adviser.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to:

- o explain the terms of the Scheme;
- o explain the manner in which the Scheme will be considered and implemented (if approved by the requisite majorities of InvoCare Shareholders and by the Court); and
- o provide information as is prescribed or otherwise material to the decision of InvoCare Shareholders on whether or not to approve the Scheme by voting in favour of the Scheme Resolution, being information that is within the knowledge of the InvoCare Directors and has not previously been disclosed to InvoCare Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to InvoCare Shareholders in relation to the Scheme pursuant to section 412(1) of the Corporations Act.

Status of Scheme Booklet

Other than with respect to the offer to subscribe for Class B Shares as part of the Scheme Consideration, this Scheme Booklet does not constitute or contain an offer to InvoCare Shareholders, or a solicitation of an offer from InvoCare Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under section 411(1) of the Corporations Act. Instead, InvoCare Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

No financial product advice

The information contained in this Scheme Booklet is not financial product or investment advice. Neither InvoCare nor BidCo are licensed to provide financial product advice. No cooling off regime applies in relation to the acquisition of Class B Shares if an Election is made to receive Scrip Consideration.

Investment decisions

This Scheme Booklet is intended for InvoCare Shareholders collectively and does not take into account the investment objectives, financial situation, tax profile or particular needs of any InvoCare Shareholder or any other person. It is important that you consider the information in this Scheme Booklet in light of your particular circumstances. This Scheme Booklet should not be relied on as the sole basis for any investment decision in relation to InvoCare Shares and any decision as to whether or not to vote in favour of the Transaction. The InvoCare Directors encourage you to seek independent legal, financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Transaction. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Transaction. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 10 and the views of the Independent Expert set out in the Independent Expert's Report contained in Appendix B. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

Responsibility for information

InvoCare has prepared, and is responsible for, the InvoCare Information contained in this Scheme Booklet. None of the Bidder Group Members or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the InvoCare Information or any part of it.

BidCo has prepared, and is responsible for, the Bidder Information contained in this Scheme Booklet. None of the InvoCare Group Members, or any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Bidder Information or any part of it.

Kroll has prepared, and is responsible for, the Independent Expert's Report. None of the InvoCare Group Members and their respective directors, officers, employees or advisers, or the Bidder Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report or any part of it, except in the case of InvoCare, to the extent that information has been provided by InvoCare to Kroll for the purposes of preparing the Independent Expert's Report.

KPMG has prepared the general taxation information contained in Section 11 (Taxation implications for Scheme Shareholders). None of the InvoCare Group Members and their respective directors, officers, employees or advisers, or the Bidder Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in Section 11 or any part of it. The exact tax consequences for each InvoCare Shareholder will depend on their specific circumstances. In this regard, InvoCare Shareholders should seek their own independent professional tax advice based on their particular circumstances.

Role of ASIC and ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. A copy of this Scheme Booklet has also been lodged with the ASX.

InvoCare has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the no objections statement, it will be produced to the Court on the Second Court Date.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet required to accompany the Notice of Scheme Meeting (Appendix A) does not mean that the Court:

- o has formed any view as to the merits of the Scheme or as to how InvoCare Shareholders should vote on the Scheme Resolution (on this matter InvoCare Shareholders must reach their own decision); or
- o has prepared, or is responsible for the content of, this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Appendix A. The Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. An Election Form also accompanies this Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

InvoCare Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

A Scheme Shareholder whose Registered Address is shown on the InvoCare Share Register on the Scheme Record Date is a place outside Australia and its external territories will be an Ineligible Foreign Shareholder.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Scrip Consideration. If you are an Ineligible Foreign Shareholder and you make an Election to receive Scrip Consideration, your Election will be invalid and have no effect, and you will receive the Cash Consideration for all of your InvoCare Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the Cash Consideration in respect of all of their InvoCare Shares held on the Scheme Record Date if the Scheme becomes Effective.

Ineligible Foreign Shareholders will also receive any Special Dividend that the InvoCare Board may decide to declare and pay in respect of each InvoCare Share they hold as at the Special Dividend Record Date.

InvoCare Shareholders resident outside Australia for tax purposes should also seek specific taxation advice in relation to the Australian and overseas tax implications of their participation in the Scheme.

Please note that neither the InvoCare Group Members or Bidder Group Members are in the business of dealing in securities, or do they purport to hold themselves out as carrying on a business of dealing in securities.



Important notices

continued

Forward looking statements

Certain statements in this Scheme Booklet (including in the Independent Expert's Report) relate to the future. Such forward looking statements, which include information relating to the performance of InvoCare or the InvoCare Group, are not based on historical facts but rather reflect the current expectations of InvoCare (in relation to the InvoCare Information) and BidCo (in relation to the Bidder Information). Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intend', 'foresee', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', 'target' or other similar words and phrases. Similarly, statements that describe the InvoCare Group, or the Bidder Group's objectives, plans, goals or expectations may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and assumptions and are subject to a variety of other factors that could cause the actual results or performance of InvoCare to be materially different from what is expressed or implied by such statements. Some of the risks that InvoCare Shareholders may be exposed to in relation to the Scheme are set out in Section 10. Forward looking statements are based on numerous assumptions regarding present and future business strategies and the industries as well as the general economic environment in which the InvoCare Group and the Bidder Group will operate in the future. Actual events or results may differ materially from events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of the InvoCare Group Members, the Bidder Group Members or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, undue reliance should not be placed on forward looking statements.

InvoCare Shareholders should note that the historical performance of InvoCare is no assurance of InvoCare's future performance. Other than as required by law, none of the InvoCare Group Members, the Bidder Group Members or any of their respective directors, officers, employees or advisers represents that, or gives any assurance or guarantee that, the occurrence of events expressed or implied in any forward looking statements will actually occur.

The forward looking statements in this Scheme Booklet reflect views held only at the Last Practicable Date. Additionally, statements of intention in this Scheme Booklet reflect present intentions as at the Last Practicable Date and may be subject to change.

Opinions, projections, forecasts, targets, and outlook statements given in this Scheme Booklet are not guidance. As explained above, forward looking statements involve uncertainty and are subject to change.

Subject to any continuing obligations under law or the Listing Rules, InvoCare and the InvoCare Directors, officers, employees and advisers disclaim any obligation or undertaking to disseminate after the Last Practicable Date any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or change in events, conditions or circumstance on which a statement is based.

Privacy and personal information

InvoCare and the Bidder Group Members may need to collect personal information to implement the Scheme. The personal information they may collect includes the names, contact details, bank account details and other details of InvoCare Shareholders, as well as the names and contact details of individuals appointed by InvoCare Shareholders as proxies, attorneys or corporate representatives to attend and vote at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist InvoCare to conduct the Scheme Meeting and implement the Scheme. Without this information, InvoCare may be hindered in its ability to issue the Scheme Booklet and implement the Scheme.

The personal information described above may be disclosed to the InvoCare Registry, securities brokers, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), Related Bodies Corporate of InvoCare, Government Agencies and also where disclosure is required or allowed by law. Personal information may also be used to contact InvoCare Shareholders in relation to the Scheme.

InvoCare Shareholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected in relation to them. An individual who wishes to exercise any of these rights should contact the InvoCare Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) on Business Days at any time between 8:30am and 7:30pm on Monday to Friday. Third parties who receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements.

InvoCare Shareholders who appoint an individual as their proxy, attorney or corporate representative to attend and vote at the Scheme Meeting should inform him or her of the matters outlined above. Further information about how InvoCare collects, uses and discloses personal information is contained in InvoCare's Privacy Policy located at www.InvoCare.com.au/privacy-policy.

Sections and appendices

A reference to a Section or an Appendix is a reference to a section of, or appendix to, this Scheme Booklet, unless otherwise stated.

References to time

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, New South Wales, Australia.

References to currency

Unless expressly stated otherwise, all references in this Scheme Booklet to “\$”, “A\$” or “AUD” are references to Australian currency.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of this Scheme Booklet are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available as at Last Practicable Date.

Timetable and dates

All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

Defined terms

A number of defined terms are used in this Scheme Booklet. Capitalised terms used in this Scheme Booklet are defined in Section 13. Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 13.

References to websites

Information contained in or accessible through the websites mentioned in this Scheme Booklet do not form part of this Scheme Booklet. All references in this Scheme Booklet to websites are for information only.

InvoCare Shareholder Information Line

If you have any questions about this Scheme Booklet or the Scheme, you should call the InvoCare Shareholder Information Line

📞 1800 774 615 (within Australia) or
+61 1800 774 615 (outside Australia)

on Business Days at any time between
8:30am and 5:00pm on Monday to Friday.

Date

This Scheme Booklet is dated 22 September 2023.



1 Key dates

This Section 1 sets out key events in relation to the Scheme together with corresponding dates.

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, New South Wales, Australia.

Event	Date and time
First Court Date at which the Court made orders convening the Scheme Meeting.	22 September 2023 at 3:00pm
Election Date Last time and date by which Election Forms must be received by the InvoCare Registry.	24 October 2023 at 7:00pm
Announcement of Election Results Election results to be announced to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies.	26 October 2023
Proxy Forms for Scheme Meeting Latest time and date for receipt of Proxy Forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representatives to be received by the InvoCare Registry for the Scheme Meeting.	29 October 2023 at 10:00am
Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meeting.	29 October 2023 at 7:00pm
Scheme Meeting To be held virtually through the online meeting platform at www.meetings.linkgroup.com/IVCScheme23 and in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000. InvoCare Shareholders and their authorised proxies, attorneys and corporate representatives may participate and vote at the Scheme Meeting via the online platform or by attending the Scheme Meeting in person. Further details relating to the Scheme Meeting are set out in the Notice of Scheme Meeting in Appendix A.	31 October 2023 at 10:00am

If the Scheme is approved by InvoCare Shareholders at the Scheme Meeting

Event	Date and time
Second Court Date to seek Court orders approving the Scheme.	3 November 2023 at 9:15am
Effective Date The date on which the Scheme becomes Effective and is binding on InvoCare Shareholders.	3 November 2023
Special Dividend Record Date If the InvoCare Board decides to declare and InvoCare pays a Special Dividend, all InvoCare Shareholders who hold InvoCare Shares on the Special Dividend Record Date will be entitled to receive the Special Dividend.	8 November 2023 at 7:00pm
Special Dividend Payment Date If the InvoCare Directors decide to declare and InvoCare pays a Special Dividend, all InvoCare Shareholders who hold InvoCare Shares on the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date.	16 November 2023
Scheme Record Date Time and date for determining entitlements to Scheme Consideration.	17 November 2023 at 7:00pm
Implementation Date The date on which the Scheme will be implemented and the Scheme Consideration will be provided.	24 November 2023

Please note that all of the above times and dates are indicative only and subject to change. Any changes will be announced by InvoCare through the ASX and notified on InvoCare's website at www.InvoCare.com.au

InvoCare Shareholders who have elected to receive communications electronically will receive an email which contains instructions about how to view or download a copy of the Scheme Booklet, and to lodge their proxy vote online. The Scheme Booklet will also be made available for viewing and downloading on InvoCare's website at www.InvoCare.com.au



1 Key dates

continued

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SECTION 2

Chairman's letter



2 Chairman's letter

22 September 2023

Dear InvoCare Shareholders

On behalf of the InvoCare Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed acquisition of InvoCare by Eternal Aus BidCo Pty Ltd ACN 669 053 258 (**BidCo**), an entity ultimately owned by funds managed or advised by TPG Capital Asia (**TPG**) or its related entities.

On 9 August 2023, InvoCare announced that it had entered into the Scheme Implementation Deed with BidCo to acquire 100% of InvoCare Shares on issue which are not already held by it or its related entities, via a scheme of arrangement (**Scheme**). The Scheme will be subject to InvoCare Shareholder and Court approval, and certain other Conditions Precedent. Full details of the Scheme are set out in this Scheme Booklet.

Overview of the All Cash Consideration

If the Scheme is approved and implemented, InvoCare Shareholders (other than those who make a valid Election to receive Scrip Consideration (described below), and for the avoidance of doubt also excludes Excluded Shareholders) will receive \$12.70 cash per InvoCare Share (**Cash Payments**), comprising:

- o a fully franked dividend of up to \$0.60 per InvoCare Share for each InvoCare Share they hold as at the Special Dividend Record Date that the InvoCare Board may decide to declare and pay by InvoCare before the Scheme is implemented (**Special Dividend**); and
- o consideration under the Scheme of \$12.70 per InvoCare Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that the InvoCare Board may decide to declare and pay by InvoCare before the Scheme is implemented.

The InvoCare Board currently intends to declare and pay a fully franked Special Dividend of up to \$0.60 per InvoCare Share prior to implementation of the Scheme, which if declared and paid, will result in franking credits of up to approximately \$0.257 per InvoCare Share.¹ It remains at the discretion of the InvoCare Board whether the Special Dividend is ultimately declared and paid. Whether InvoCare Shareholders will be able to realise the full benefit of the franking credits will depend on their individual tax status and specific circumstances. InvoCare Shareholders should seek professional taxation advice in this regard.²

- 1 The quantum of the Special Dividend is also subject to the availability of franking credits.
- 2 When assessing the benefit of franking credits attached to any Special Dividend, InvoCare Shareholders should seek independent professional taxation advice as to whether or not receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 11

The Cash Consideration implies an equity value, on a 100% fully diluted basis, of approximately \$1.8 billion and an enterprise value of approximately \$2.2 billion,³ and represents:

- o a 45% premium to InvoCare's undisturbed closing share price on 6 March 2023 of \$8.95 per InvoCare Share including franking credit benefits of up to approximately \$0.257 per InvoCare Share;
- o a 42% premium to InvoCare's undisturbed closing share price on 6 March 2023 of \$8.95 per InvoCare Share;
- o a 36% premium to the volume weighted average price (**VWAP**) of \$9.34 per InvoCare Share following InvoCare's FY22 results release on 27 February 2023 and prior to receipt of TPG's offer on 7 March 2023;⁴
- o a 29% premium to the one-month VWAP to 6 March 2023 of \$9.82 per InvoCare Share;⁵
- o an implied ~18x EV / FY22A EBITDA;⁶ and
- o an implied ~37x FY22A P/E.⁷

- 3 Implied equity value based on cash proposal of \$12.70 per InvoCare Share multiplied by 144,156,462 fully diluted InvoCare Shares, with fully diluted InvoCare Shares being calculated as 144,060,733 current InvoCare Shares on issue, plus 11,618 cash settled securities calculated from in-the-money Options using the treasury stock method, and 84,111 total vested and unvested Share Rights and Performance Rights for over-seas employees to be settled in cash, as at the date of the Scheme Implementation Deed. Enterprise value calculated as equity value plus net debt of \$168,937,000, non-controlling interest liability of \$1,377,000, and \$182,464,000 lease liabilities based on InvoCare reported balance sheet as at 31 December 2022.
- 4 VWAP calculation based on cumulative IRESS trading data.
- 5 VWAP calculation based on cumulative IRESS trading data.
- 6 EV / FY22A EBITDA multiple presented on a pre-AASB 16 basis, based on FY22A operating EBITDA of \$113.1 million (on pre-AASB16 basis), and enterprise value calculation excluding lease liabilities on InvoCare's reported balance sheet as at 31 December 2022. FY22A Pre-AASB16 EBITDA of \$113.1 million calculated as FY22A Operating EBITDA of \$136.1 million less \$23.0 million reversal of operating lease rental expense.
- 7 FY22A P/E multiple based on FY22A operating NPAT of \$50.2 million.

Overview of the Scrip Consideration Options

As an alternative to receiving the All Cash Consideration, eligible InvoCare Shareholders may elect (subject to certain limitations) to receive Scrip Consideration under the Scheme. The Scrip Consideration Options give all InvoCare Shareholders with a Registered Address in Australia an equal opportunity to retain an ongoing investment in InvoCare's business during BidCo's ownership, if they wish, in addition to the Special Dividend, if declared and paid by InvoCare.

The Scrip Consideration Options consist of:

- o **Mixed Consideration Option 1:** Cash Consideration for each Scheme Share in respect of 75% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 25% of the Scheme Shares held;
- o **Mixed Consideration Option 2:** Cash Consideration for each Scheme Share in respect of 50% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 50% of the Scheme Shares held;
- o **Mixed Consideration Option 3:** Cash Consideration for each Scheme Share in respect of 25% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 75% of the Scheme Shares held;
- o **All Scrip Consideration:** Scrip Consideration in respect of 100% of the Scheme Shares held; or
- o **Custom Consideration Election Option:** Cash Consideration for such number of Scheme Shares, plus Scrip Consideration for such number of Scheme Shares, as agreed with BidCo (in its absolute discretion) in writing.

Any Custom Consideration Election made will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that eligible InvoCare Shareholder's Election for Custom Consideration. If BidCo does not provide a written acceptance by the Election Date, or such an Election has been made by an Ineligible Foreign Shareholder, the InvoCare Shareholder will receive the Cash Consideration for each InvoCare Share held as at the Scheme Record Date. Any eligible InvoCare Shareholder that is considering making a Custom Consideration Election should complete and return the Election Form as soon as possible so that BidCo can consider it before the Election Date.

In each of the Scrip Consideration Options, the Scrip Consideration will be such number of Class B Shares as is equivalent to \$12.70 minus the amount of any Special Dividend that the InvoCare Board decides to declare and pay per InvoCare Share held on the Special Dividend Record Date, subject to the Minimum Scrip Threshold,⁸ the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded.⁹

Each Class B Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo issued at a notional issue price of \$1.00 per share. See Section 6.4 for worked examples of the different Scrip Consideration Options and how they interact with any Special Dividend that may be declared.

The notional value of the Class B Shares issued under a Scrip Consideration Option will be equal to the value of the Cash Consideration.

InvoCare Shareholders considering whether or not to make an Election to receive Scrip Consideration should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that Class B Share.

Default consideration

The default form of consideration under the Scheme is the All Cash Consideration. An InvoCare Shareholder who does not make a valid Election by the Election Date, or who makes a Custom Consideration Election that is not accepted in writing by BidCo by the Election Date, will receive the All Cash Consideration. Ineligible Foreign Shareholders and persons who become InvoCare Shareholders after the Election Date will also receive the All Cash Consideration.

Risks of electing the Scrip Consideration Options

You should form your own view as to whether you wish to make an Election to receive Scrip Consideration based on your individual circumstances, financial situation, taxation position, investment objectives and risk profile. You should also consider obtaining professional advice appropriate to your specific circumstances before making any Election.

It is important to understand that any investment in Class B Shares would represent a fundamentally different investment than your current investment in InvoCare. In particular, your continuing exposure to InvoCare would have materially different risks and a different investment and financial profile to your existing investment in InvoCare as an ASX listed company.

Importantly, InvoCare Shareholders should be aware that if they make an Election to receive Scrip Consideration.

- o they will face risks that apply to an investment in HoldCo that are materially different from, and in addition to, those risks that apply to their existing investment in InvoCare;
- o there will be no public market for the trading of shares in HoldCo (an unlisted public company) post-implementation of the Scheme nor is there expected to be any such market in the future;

⁸ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁹ This is subject to rounding – see Section 6.3e) for details.



2 Chairman's letter

continued

- o InvoCare Shareholders who receive Class B Shares under the Scheme will become parties to the HoldCo Shareholders' Deed, which is intended to govern the relationship between investors in HoldCo, and will have substantially restricted rights as a shareholder in HoldCo when compared to their current investment in InvoCare;
- o there are restrictions on the disposal of Class B Shares under the HoldCo Shareholders' Deed that will restrict any HoldCo shareholder from disposing or dealing in their Class B shares in HoldCo, unless such disposal or dealing is with the prior written consent of the TPG Shareholders, to a permitted transferee, or otherwise permitted under the HoldCo Shareholders' Deed;
- o InvoCare Shareholders who receive Class B Shares under the Scheme will have those Class B Shares registered in the name of a custodian nominated by HoldCo (being the Nominee) to hold as bare trustee for that InvoCare Shareholder (such that the InvoCare Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration) in accordance with the terms of a custody agreement (being the Nominee Deed) as specified by HoldCo;
- o there are risks in relation to an Exit Event that may be commenced by HoldCo (or another HoldCo Group Company) if required by the TPG Shareholders, including that an Exit Event may not necessarily involve all HoldCo shareholders having the right or ability to realise cash for their Class B Shares. To the extent that an Exit Event does allow a HoldCo shareholder to realise cash for some or all of their Class B Shares, it may not be on the same terms as the TPG Shareholders;
- o at any time after the first anniversary of the Implementation Date, one or more TPG Shareholders may give written notice to HoldCo that they wish to acquire any or all of the Small Holdings of Class B Shareholders (being shareholdings in HoldCo valued at less than \$10,000). The sale price for a Small Holding will be the fair value of those shares. The fair value is determined by the HoldCo Board in good faith;
- o only the TPG Shareholders may appoint, remove and replace all directors to the HoldCo Board; and
- o InvoCare Shareholders who receive Class B Shares under the Scheme will be subject to risks inherent in minority shareholdings (as InvoCare Shareholders who receive Class B Shares under the Scheme will collectively have no more than a 20% interest in HoldCo).

Please refer to Section 9.4 which sets out a summary of the HoldCo Shareholders' Deed and the rights and obligations attaching to Class B Shares and Section 10.4 which sets out some of the risks relating to Class B Shares.

Furthermore, the value of the Scrip Consideration is less certain than the value of the Cash Consideration and there is no assurance that the future value of Class B Shares will be equal to or higher than the value of the Cash Consideration.

Accordingly, you should carefully read Sections 9, 10 and 11 and consider obtaining appropriate professional advice before making any Election to receive Scrip Consideration. In particular, you should consider the risks associated with an investment in HoldCo set out in Section 10.4. The Scrip Consideration Options are subject to the following qualifications:

- o the Scrip Consideration Options will only operate if valid Elections made would result in InvoCare Shareholders holding, in aggregate, at least 5%, or such lesser percentage as notified by BidCo to InvoCare in writing at least three Business Days prior to the date of the Scheme Meeting, of the total issued capital of HoldCo as at the Implementation Date (being the **Minimum Scrip Threshold**). In the event the Minimum Scrip Threshold is not satisfied, all InvoCare Shareholders will receive the All Cash Consideration;¹⁰ and
- o if valid Elections made would result in InvoCare Shareholders holding, in aggregate, more than 20% of the total issued capital of HoldCo as at the Implementation Date (being the **Maximum Scrip Threshold**), then the Scaleback Mechanism will apply to ensure that the total number of Class B Shares issued to InvoCare Shareholders does not exceed 20% of the total shares on issue in HoldCo.

InvoCare will announce the results of the Election process to the ASX, including whether the Minimum Scrip Threshold¹¹ has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on 26 October 2023.

¹⁰ InvoCare Shareholders should refer to Section 7.2d), which sets out the minimum Elections for Scrip Consideration to be made by Rolling InvoCare Executives. As set out in Section 9.4a), if the aggregate valid Elections of InvoCare Shareholders will represent less than 5% of the issued capital of HoldCo as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.

¹¹ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

Directors' recommendation

The InvoCare Board unanimously recommends that you vote in favour of the Scheme, and each InvoCare Director intends to vote (or procure the voting of) all of the InvoCare Shares in which they have a Relevant Interest in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.¹²

The InvoCare Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the All Cash Consideration. The InvoCare Directors make no recommendation in relation to the Scrip Consideration Options.

In reaching the unanimous decision to recommend the Scheme to InvoCare Shareholders, subject to the qualifications described above, the InvoCare Directors considered various alternatives to maximise value, including assessment of standalone value creation opportunities. After considering these alternatives, the InvoCare Directors formed the view that the combination of value and certainty offered by the Scheme Consideration is likely to deliver a superior outcome for InvoCare Shareholders compared to all other options available to InvoCare continuing to operate as a standalone entity.

The InvoCare Board was unanimous in its decision to recommend the Scheme,¹³ in the absence of a Superior Proposal, for the following reasons:

- o the Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a superior proposal;
- o the value of the Cash Consideration represents a significant premium for your InvoCare Shares;
- o the value of the Cash Consideration represents an implied ~18x EV / FY22A EBITDA, in-line with precedent sector transactions used by the Independent Expert;
- o the Cash Consideration provides InvoCare Shareholders with certainty of value and the opportunity to immediately realise their investment for cash, avoiding the uncertainties and risks associated with InvoCare's business. These are discussed further in Section 10.5;

- o InvoCare's share price may fall if the Scheme is not implemented and in the absence of a Superior Proposal;
- o no Superior Proposal has emerged as at the Last Practicable Date;
- o if the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with InvoCare's business and general market risks;
- o you will not incur any brokerage charges on the transfer of your InvoCare Shares if the Scheme proceeds; and
- o if a fully franked Special Dividend of up to \$0.60 per InvoCare Share is declared and paid, those InvoCare Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.257 per InvoCare Share.¹⁴

In forming their unanimous decision to recommend the Scheme to InvoCare Shareholders, subject to the qualifications described above, the InvoCare Directors considered the potential disadvantages of the Scheme proceeding. In particular:

- o you may disagree with the InvoCare Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests;
- o you may wish to maintain a direct investment in InvoCare as an ASX listed company;
- o the tax consequences of the Scheme may not suit your individual position and circumstances; and
- o you may believe there is the potential for a Superior Proposal to be made in the foreseeable future.

The InvoCare Directors unanimously believe that the benefits of the Scheme significantly outweigh its potential disadvantages.

As outlined above, the InvoCare Directors make no recommendation in relation to the Scrip Consideration Options, due to the speculative nature of the Class B Shares, the fact that whether the Class B Shares are appropriate will depend significantly on the characteristics and risk profile of the individual InvoCare Shareholder.

¹² You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Incentives, as set out in Sections 7.2 and 12.5 of this Scheme Booklet.

¹³ You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Incentives, as set out in Sections 7.2 and 12.5 of this Scheme Booklet.

¹⁴ Whether an InvoCare Shareholder will be able to realise the full benefit of the franking credits will depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the InvoCare Shareholder. For further information refer to Section 11 of this Scheme Booklet.



2 Chairman's letter

continued

InvoCare Shareholders who are considering making an Election to receive Scrip Consideration should:

- o take into account the Minimum Scrip Threshold,¹⁵ the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 6, which may affect whether any Class B Shares are issued and the number of Class B Shares that may actually be received;
- o take into account that the Class B Shares would be subject to the rights and restrictions set out in the HoldCo Shareholders' Deed and the HoldCo Constitution, copies of which are set out in Appendix F and Appendix G and summarised in Section 9.4;
- o carefully consider the matters set out in Section 9 and the risk factors set out in Section 10, noting that an investment in HoldCo does not involve the same liquidity and other

protections that shareholders have when investing in an ASX listed company;

- o carefully consider the tax considerations set out in Section 11 and how they apply to the Scrip Consideration Options in comparison to the Cash Consideration; and
- o consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in HoldCo meets their individual investment objectives.

If InvoCare Shareholders elect to receive Scrip Consideration it will allow them to have an indirect ongoing interest in InvoCare. InvoCare Shareholders should carefully read Sections 6.3b), 9, 10 and 11 and seek professional advice before making any Election to receive Scrip Consideration.

Independent Expert

The InvoCare Directors' unanimous recommendation of the Scheme is supported by the conclusion of Kroll, the Independent Expert engaged by the InvoCare Board to assess the merits of the Scheme.

The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a superior proposal.

The Independent Expert has assessed the full underlying value of InvoCare Shares at between \$11.61 and \$13.00 per InvoCare Share on a fully diluted basis. The Cash Consideration is above the valuation mid-point of \$12.31 per InvoCare Share. The Independent Expert has not provided an opinion on the Scrip Consideration Options available to shareholders.

How to vote

Your vote is important and I encourage you to vote by completing and returning the Proxy Form accompanying this Scheme Booklet or alternatively by attending the Scheme Meeting in person, virtually, or by proxy, attorney or corporate representative. The Scheme Meeting is currently expected to be held at 10:00 am on Tuesday, 31 October 2023, in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000 and virtually through www.meetings.linkgroup.com/IVCScheme23. For more instructions on how you can vote and participate in the Scheme Meeting, please see Section 5 and the Notice of Scheme Meeting at Appendix A.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the Scheme Meeting.

Further information

The Scheme Booklet sets out important information regarding the Scheme, including the reasons for the InvoCare Directors' unanimous recommendation and the Independent Expert's Report. It also sets out some of the potential reasons why you may wish to vote against the Scheme.

Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your InvoCare Shares.

If you require any further information, please call the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or + 61 1800 774 615 (outside Australia).

On behalf of the InvoCare Board, I would like to take this opportunity to thank you for your participation as a shareholder of InvoCare and for your ongoing support of InvoCare and I look forward to your participation at the Scheme Meeting.

Yours faithfully

Bart Vogel
Non-Executive Chairman
InvoCare Limited

¹⁵ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



SECTION 3

**Key considerations
relevant to your vote**



3 Key considerations relevant to your vote

The Scheme has a number of advantages and disadvantages that may affect InvoCare Shareholders in different ways depending on their individual circumstances. Those advantages and disadvantages are described in this Section 3, a summary of which is set out in Section 3.1.

Section 3.2 describes some of the reasons as to why the InvoCare Board unanimously recommends InvoCare Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders. This section should be read in conjunction with Section 3.3, which sets out potential reasons as to why InvoCare Shareholders may wish to vote against the Scheme. Section 3.4 also sets out some additional considerations that may be relevant to your vote in respect of the Scheme.

While the InvoCare Directors acknowledge the potential reasons to vote against the Scheme, they believe the advantages of the Scheme significantly outweigh the disadvantages.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. You should also seek professional advice on your particular circumstances, as appropriate.

3.1 Summary of reasons as to why you might vote for and against the Scheme

a) Reasons to vote in favour of the Scheme

- ✓ The InvoCare Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.¹⁶
- ✓ The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a superior proposal.
- ✓ The value of the Cash Consideration represents a significant premium for your InvoCare Shares.
- ✓ The value of the Cash Consideration equates to an attractive acquisition multiple which is in the upper half of the multiple range used by the Independent Expert.

¹⁶ You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Equity Incentives, as set out in Sections 7.2 and 12.5 of this Scheme Booklet.

- ✓ The Cash Consideration provides InvoCare Shareholders with certainty of value and the opportunity to immediately realise their investment for cash, avoiding the uncertainties and risks associated with InvoCare's business and volatile market conditions.
- ✓ No Superior Proposal has emerged as at the Last Practicable Date and TPG holds a 19.983% interest in InvoCare Shares.¹⁷
- ✓ If the InvoCare Board decides to declare and pay by InvoCare the Special Dividend, eligible InvoCare Shareholders may be entitled to the additional benefit of franking credits attached to any Special Dividend. Whether InvoCare Shareholders will be in a position to realise the full benefit of franking credits attached to any Special Dividend will depend on their tax status and specific circumstances. InvoCare Shareholders should seek professional taxation advice in this regard.¹⁸
- ✓ InvoCare's share price may fall if the Scheme is not implemented.
- ✓ You will not incur any brokerage charges on the transfer of your InvoCare Shares if the Scheme proceeds.

b) Potential reasons to vote against the Scheme

- ✗ You may disagree with the InvoCare Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests.
- ✗ You may wish to maintain a direct investment in InvoCare as an ASX listed company.
- ✗ You may believe it is in your best interests to maintain your current investment and risk profile.
- ✗ You may believe the tax consequences of the Scheme may not suit your interests.
- ✗ You may believe that there is potential for a Superior Proposal to be made in the foreseeable future.

¹⁷ As at the Last Practicable Date, Blue Eternal has a combined relevant and economic interest in 19.983% of InvoCare Shares. That interest comprises (i) a relevant interest in 9.983% of InvoCare Shares, being InvoCare Shares that Blue Eternal is the registered holder of and 9.192% of InvoCare Shares pursuant to a total return swap with UBS that can be physically or cash settled; and (ii) an economic interest in 0.808% of InvoCare Shares pursuant to a cash settled total return swap with Credit Suisse. For further information refer to Section 9.7a).

¹⁸ When assessing the benefit of franking credits attached to any Special Dividend, InvoCare Shareholders should seek independent professional taxation advice as to whether or not receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 11.

3.2 Reasons to vote in favour of the Scheme

This Section 3.2 sets out some of the reasons why the InvoCare Directors consider that you should vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders. While the InvoCare Directors acknowledge that there are potential reasons to vote against the Scheme, they believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

a) The InvoCare Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal

The InvoCare Board unanimously recommends that you vote your InvoCare Shares in favour of the Scheme, provided that no Superior Proposal has emerged and that the Independent Expert maintains its conclusion that the Scheme is in the best interests of InvoCare Shareholders.¹⁹

The InvoCare Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the Cash Consideration.

The InvoCare Directors make no recommendation in relation to the Scrip Consideration Options, due to the speculative nature of the Class B Shares, the fact that whether the Scrip Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual InvoCare Shareholder. InvoCare Shareholders who are considering making an Election to receive Scrip Consideration should refer to Sections 9.4 and 10.4.

In reaching their unanimous decision to recommend the Scheme to InvoCare Shareholders subject to the qualifications described above, the InvoCare Board has assessed the Scheme, having regard to the reasons to vote in favour of the Scheme, and against the Scheme, as set out in this Scheme Booklet and unanimously concluded that the Scheme is in the best interests of InvoCare Shareholders.

In the absence of a Superior Proposal and provided that the Independent Expert maintains its conclusion that the Scheme is in the best interests of InvoCare Shareholders, each InvoCare Director intends to vote, or procure the vote of, all InvoCare Shares they have a Relevant Interest in at the time of the Scheme Meeting in favour of the Scheme. The interests of the InvoCare Directors are set out in Sections 7.2 and 12.5.

b) The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a superior proposal

The InvoCare Board appointed Kroll to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of InvoCare Shareholders.

The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders, in the absence of a superior proposal. The Independent Expert has assessed the value of InvoCare Shares to be between \$11.61 and \$13.00 per InvoCare Share. The Cash Consideration of \$12.70 per InvoCare Share is in the upper half, and exceeds the mid-point of \$12.31, of this range. The Independent Expert has not provided an opinion on the Scrip Consideration Options.

The reasons why the Independent Expert has formed its conclusion that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders are set out in the Independent Expert's Report, a copy of which is included as Appendix B. The InvoCare Board encourages you to read the Independent Expert's Report in its entirety.

As at the Last Practicable Date, the Independent Expert has not changed or qualified its conclusion, and no superior proposal has emerged.

¹⁹ You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Equity Incentives, as set out in Sections 7.2 and 12.5.

3 Key considerations relevant to your vote

continued

c) The Cash Consideration represents a premium to the recent trading price of InvoCare Shares

If the Scheme is implemented, InvoCare Shareholders (other than those who make a valid Election to receive Scrip Consideration) will receive \$12.70 in cash for each InvoCare Share, comprising:

- o a fully franked dividend of up to \$0.60 per InvoCare Share for each InvoCare Share they hold as at the Special Dividend Record Date; and
- o the consideration under the Scheme, which will be \$12.70 per InvoCare Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by InvoCare before the Scheme is implemented.

The Cash Consideration implies an equity value, on a 100% fully diluted basis, of approximately \$1.8 billion and an enterprise value of approximately \$2.2 billion,²⁰ and represents:

- o a 42% premium to InvoCare's undisturbed closing share price on 6 March 2023 of \$8.95 per InvoCare Share;
- o a 36% premium to the VWAP of \$9.34 per InvoCare Share following InvoCare's FY22 results release on 27 February 2023 and prior to receipt of TPG's offer on 7 March 2023;²¹ and
- o a 29% premium to the one-month VWAP to 6 March 2023 of \$9.82 per InvoCare Share.²²



²⁰ Implied equity value based on cash proposal of \$12.70 per InvoCare Share multiplied by 144,156,462 fully diluted InvoCare Shares, with fully diluted InvoCare Shares being calculated as 144,060,733 current InvoCare Shares on issue, plus 11,618 cash settled securities calculated from in-the-money Options using the treasury stock method, and 84,111 total vested and unvested Share Rights and Performance Rights for overseas employees to be settled in cash, as at the date of the Scheme Implementation Deed. Enterprise value calculated as equity value plus net debt of \$168,937,000, non-controlling interest liability of \$1,377,000, and \$182,464,000 lease liabilities based on InvoCare reported balance sheet as at 31 December 2022.

²¹ VWAP calculation based on cumulative IRESS trading data.

²² VWAP calculation based on cumulative IRESS trading data.

d) The Cash Consideration represents an attractive acquisition multiple

The Cash Consideration equates to transaction multiples of ~18x EV / FY22A EBITDA and ~37x FY22A P/E. This is considered by the InvoCare Board to be attractive given the implied EBITDA multiple (~18x) is in the upper half of the multiple range used by the Independent Expert in its assessment of the value of InvoCare on a control basis.

e) If the Scheme proceeds and if you do not make a valid Election to receive Scrip Consideration, you will receive a certain cash price for your investment in InvoCare and will avoid ongoing risks and uncertainties involved in InvoCare's business and volatile market conditions

The Cash Consideration provides InvoCare Shareholders with certainty of value for their InvoCare Shares held on both the Special Dividend Record Date and the Scheme Record Date (subject to the Scheme becoming Effective). The certainty of these cash payments should be compared with the risks and uncertainties associated with remaining as a shareholder in InvoCare. Some of these risks are explained in more detail in Section 10.

If the Scheme is not implemented, the value InvoCare Shareholders may be able to realise from their investment in InvoCare, through future InvoCare Share price performance and dividends, will necessarily be uncertain and subject to these risks.

If the Scheme is implemented and if you do not make a valid Election to receive Scrip Consideration, you will avoid ongoing risks and uncertainties involved in InvoCare's business and volatile market conditions.

f) No Superior Proposal has emerged as at the Last Practicable Date

Since 15 May 2023, when InvoCare announced the receipt of TPG's revised non-binding proposal and granted due diligence access to TPG, and up to the Last Practicable Date, no Superior Proposal has emerged. The InvoCare Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.

TPG has also acquired a 19.983% interest in InvoCare Shares via a combination of physical ownership and derivatives.²³ The existence of that interest may have the effect of reducing the likelihood of other third parties putting forward a Superior Proposal to compete with TPG to acquire InvoCare.

²³ As at the Last Practicable Date, Blue Eternal has a combined relevant and economic interest in 19.983% of InvoCare Shares. That interest comprises (i) a relevant interest in 9.983% of InvoCare Shares acquired via purchase trades from various sellers and 9.192% of InvoCare Shares pursuant to a total return swap with UBS that can be physically or cash settled; and (iii) an economic interest in 0.808% of InvoCare Shares pursuant to a cash settled total return swap with Credit Suisse. For further information refer to Section 9.7 of this Scheme Booklet.

The Scheme Implementation Deed, entered into with BidCo, permits InvoCare to engage with any party that offers a Superior Proposal, subject to certain conditions in favour of BidCo. Further details on the key terms of the Scheme Implementation Deed are provided in Section 7.1.

g) If the InvoCare Board decides to declare and pay a Special Dividend, eligible InvoCare Shareholders may be entitled to the additional benefit of franking credits attached to any Special Dividend

If the InvoCare Board decides to declare and pay a Special Dividend of up to \$0.60 per InvoCare Share, eligible InvoCare Shareholders may be entitled to receive an additional benefit of up to approximately \$0.257 per InvoCare Share from franking credits attached to the Special Dividend, subject to their individual marginal tax rates.²⁴

When assessing the benefit of franking credits attached to any Special Dividend, InvoCare Shareholders should seek independent professional taxation advice as to whether or not receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 11, which contains a general guide to the Australian taxation implications of the Scheme. However, this guide is expressed in general terms only and InvoCare Shareholders should consult with their own independent tax advisers regarding the tax consequences applicable to their own circumstances.

h) The InvoCare Share price may fall if the Scheme is not implemented

If the Scheme is not implemented, InvoCare Shares will continue to remain quoted on the ASX and will continue to be subject to market volatility. This includes exposure to general stock market movements, the impact of general economic conditions and the demand for listed securities. As such, if the Scheme is not implemented, the price of InvoCare Shares may fall to a price below the Scheme Consideration being offered.

Over the two years prior to the announcement of TPG's revised non-binding proposal on 15 May 2023, InvoCare Shares have traded to a low of \$8.89 per InvoCare Share on 3 March 2023 and its average VWAP over the period was \$11.43 per InvoCare Share. On the last trading day prior to the announcement of recent discussions between InvoCare and TPG (being 12 May 2023), InvoCare Shares closed at \$11.09 per InvoCare Share.

The graph below shows the InvoCare Share price performance of InvoCare Shares over the two years prior to 15 May 2023, relative to the Scheme Consideration.



* Source: IRESS. Cumulative volume data shown.

i) InvoCare Shareholders will not incur any brokerage fees on the transfer of their InvoCare Shares if the Scheme proceeds

If the Scheme is implemented, InvoCare Shareholders will not incur brokerage charges on the transfer of their InvoCare Shares under the Scheme. InvoCare Shareholders may incur such charges if they dispose of their InvoCare Shares in a manner other than that contemplated by the Scheme.

²⁴ The maximum benefit associated with the franking credits will be less if the Special Dividend is less than \$0.60 per InvoCare Share.



3 Key considerations relevant to your vote

continued

3.3 Potential reasons to vote against the Scheme

Notwithstanding the InvoCare Directors' unanimous recommendation of the Scheme and the Independent Expert concluding that the Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a Superior Proposal, this Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme.

a) You may disagree with the InvoCare Board's unanimous recommendation

Despite the unanimous recommendation of the InvoCare Board to vote in favour of the Scheme, in the absence of a Superior Proposal, you may believe that the Scheme is not in the best interests of InvoCare Shareholders or not in your own individual best interests.

b) You may disagree with the Independent Expert's conclusion

In concluding that the Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders, the Independent Expert has had to make judgements based on future conditions and events which cannot be predicted with certainty. You may hold a different view and consequently may not agree with the Independent Expert's conclusion that the Scheme is in the best interests of InvoCare Shareholders.

c) InvoCare Shareholders may wish to maintain a direct investment in InvoCare as an ASX listed company

You may wish to maintain your investment in InvoCare in order to have an investment in a publicly listed company with the specific characteristics of InvoCare in terms of industry, operational profile, size, capital structure, potential capital growth and potential dividend payments.

Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. InvoCare Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of InvoCare and they may incur transaction costs in undertaking any new investment.

d) You may believe that it is in your best interests to maintain your current investment and risk profile

You may prefer to keep your InvoCare Shares to preserve your investment in a publicly listed company with the specific characteristics of InvoCare.

You may consider that, despite the risk factors relevant to InvoCare's potential future operations, InvoCare may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of InvoCare or may incur transaction costs in undertaking any new investment.

e) The tax consequences of the Scheme may not suit your current financial circumstances

The tax consequences of the Scheme will depend on your individual situation. If the Scheme is implemented, it may result in unfavourable taxation consequences for you.

A general guide to the taxation implications of the Scheme is set out in Section 11. InvoCare Shareholders should consider the information in Section 11 to be general in nature and should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

f) You may believe that there is potential for a Superior Proposal to emerge

You may consider that a Superior Proposal could emerge in the foreseeable future. This may take the form of a takeover offer or an alternative scheme of arrangement, which would deliver total consideration to InvoCare Shareholders that exceeds the Scheme Consideration.

As at the Last Practicable Date, no Superior Proposal has emerged. Given the time elapsed since TPG first's unsolicited offer on 7 March 2023 and TPG's current 19.983% combined relevant and economic interest in InvoCare Shares,²⁵ the InvoCare Board has no basis to believe that a Superior Proposal is likely to emerge.

²⁵ Comprising (i) a relevant interest of 9.983% of InvoCare Shares acquired via purchase trades from various sellers and 9.192% of InvoCare Shares pursuant to a total return swap with UBS that can be physically or cash settled; and (ii) an economic interest of 0.808% of InvoCare Shares pursuant to a cash settled total return swap with Credit Suisse. For further information refer to Section 9.7a) of this Scheme Booklet.

3.4 Additional considerations relating to the Scheme

You should also take into account the following additional considerations in deciding how to vote on the Scheme.

a) The Scheme may be implemented even if you vote against the Scheme or do not vote at all

You should be aware that if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the requisite majorities of InvoCare Shareholders and by the Court and if the Conditions Precedent are satisfied or waived (as applicable) in accordance with the terms of the Scheme Implementation Deed. If this occurs, your InvoCare Shares held on the Scheme Record Date will be transferred to BidCo and you will receive the All Cash Consideration even though you voted against, or did not vote on the Scheme (assuming you did not make a valid Election).

b) Conditionality of the Scheme

Implementation of the Scheme is subject to the satisfaction (or waiver) of a number of Conditions Precedent, which are summarised in Section 7.1 and set out in clause 3.1 of the Scheme Implementation Deed. If the Conditions Precedent are not satisfied or waived (as applicable) in accordance with the terms of the Scheme Implementation Deed, the Scheme will not proceed and InvoCare Shareholders will not receive the Scheme Consideration.

As far as InvoCare and BidCo are aware, as at the Last Practicable Date, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8:00am on the Second Court Date. In the event of any material change in status, InvoCare will inform InvoCare Shareholders of the status of the Conditions Precedent through an announcement to the ASX.

The Scheme Implementation Deed may be terminated if any of the Conditions Precedent have not been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the End Date, or such other date as is agreed between InvoCare and BidCo.

For further information about the Conditions Precedent and termination rights under the Scheme Implementation Deed (including with respect to the Conditions Precedent) see Sections 7.1a) and 7.1g).

c) Warranty by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, each Scheme Shareholder is deemed to have warranted to InvoCare and BidCo, and appointed and authorised InvoCare as its attorney and agent to warrant to BidCo, that:

- their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, on the date of their transfer to BidCo, be transferred fully paid and free from all Encumbrances and third party rights or interests of any kind and that they have full power and capacity to sell and to transfer those Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to BidCo; and
- they have no existing right to be issued any InvoCare Shares, InvoCare Equity Incentives, InvoCare convertible notes or any other form of InvoCare securities, other than in the case any Scheme Shareholder who is also a holder of InvoCare Equity Incentives and has the right to be issued InvoCare Shares on the vesting of those InvoCare Equity Incentives (if applicable) before the Scheme Record Date in accordance with their terms.

d) Exclusivity

The Scheme Implementation Deed includes certain exclusivity arrangements that InvoCare has made in favour of BidCo. These include customary no-shop, no-talk and no-due diligence obligations, as well as obligations of notification of Competing Proposals and providing a matching right to BidCo in the event that a Superior Proposal is received by InvoCare. These exclusivity arrangements are described in further detail in Section 7.1c).

3 Key considerations relevant to your vote

continued

e) Break Fee

InvoCare will be obliged to pay BidCo the Break Fee in certain circumstances, including if:

o Change in recommendation:

during the Exclusivity Period, any InvoCare Director:

- o fails to recommend that InvoCare Shareholders vote in favour of the Scheme;
- o withdraws, changes, adversely modifies or adversely qualifies their Recommendation or otherwise makes a public statement indicating that they no longer support the Scheme;
- o fails to vote, or procure the voting of any InvoCare Shares in which they have a Relevant Interest at the time of the Scheme Meeting in favour of the Scheme; or
- o recommends, supports or endorses a Competing Proposal,

in each case provided that BidCo has terminated the Scheme Implementation Deed, and other than in circumstances where:

- o the Independent Expert concludes the Scheme is not in the best interests of InvoCare Shareholders (except where that conclusion is a result of the existence, announcement or publication of a Competing Proposal (including, but not limited to, a Superior Proposal));
- o a court of competent jurisdiction, ASIC or the Takeovers Panel requires that one or more InvoCare Directors abstain or withdraw from making a recommendation that InvoCare Shareholders vote in favour of the Scheme; or
- o InvoCare is entitled to terminate the Scheme Implementation Deed for material breach in accordance with the provisions of the Scheme Implementation Deed and has given the appropriate termination notice to BidCo;

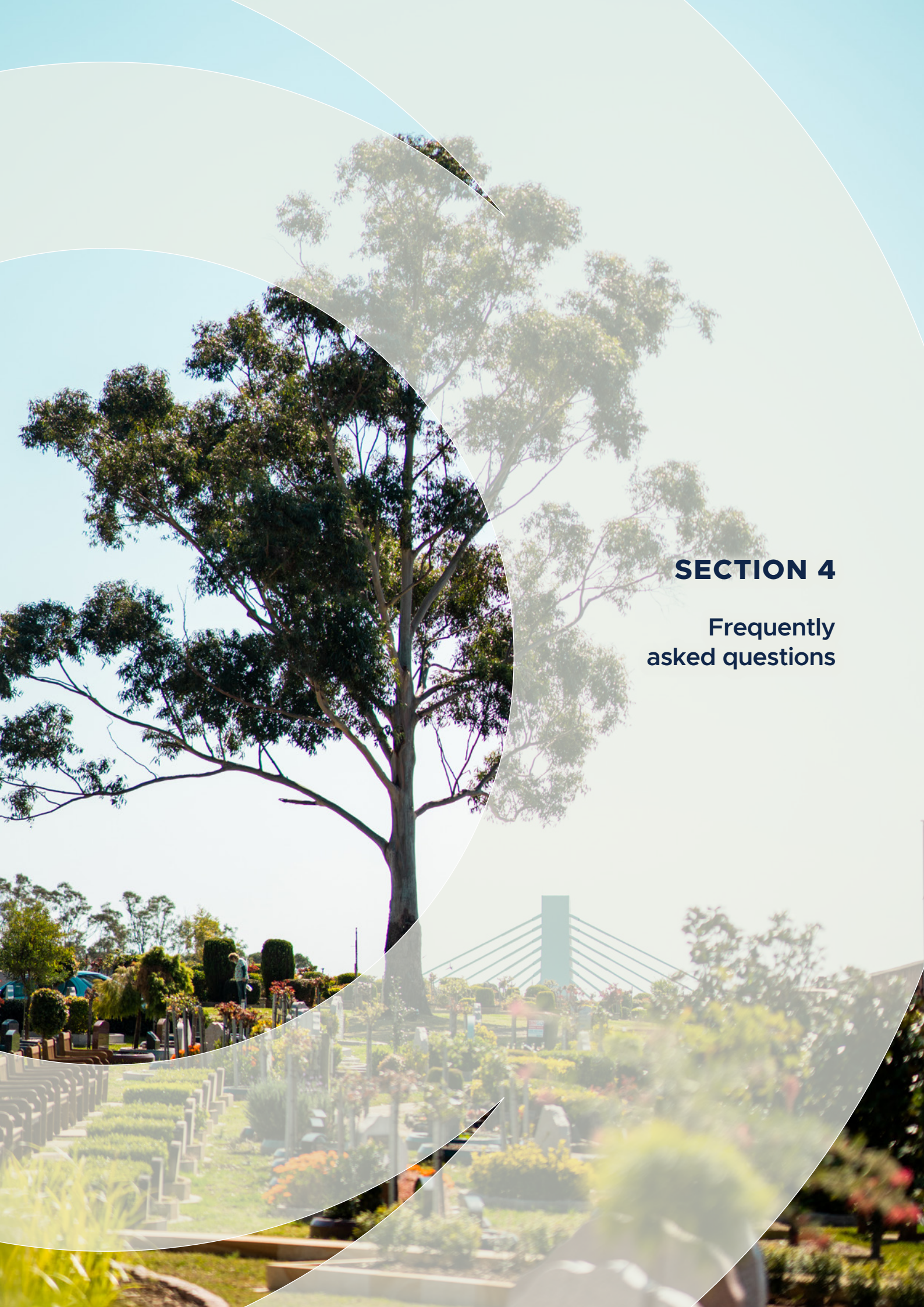
o Competing Proposal:

at any time before the End Date (or if earlier, the date the Scheme Implementation Deed is terminated under clause 15 of the Scheme Implementation Deed) a Competing Proposal is announced and within 12 months of such announcement a Third Party (either alone or together with any Associate):

- o completes a Competing Proposal of the kind referred to in paragraph (b), (c) or (d) of the definition of Competing Proposal; or
- o has a Relevant Interest in, or becomes the holder of, or otherwise acquires 50% or more of InvoCare Shares and that acquisition is unconditional; or

o Material breach:

BidCo terminates the Scheme Implementation Deed following a material breach by InvoCare, including of InvoCare's representations and warranties and the Transaction does not complete.



SECTION 4

**Frequently
asked questions**



4 Frequently asked questions

This Section 4 contains a compilation of frequently asked questions that InvoCare Shareholders may have about the Scheme in summary form.

Question	Answer	More information
1 Background and overview of the Scheme		
What are InvoCare Shareholders being asked to consider?	<p>InvoCare Shareholders are being asked to consider and vote on a proposal to transfer all of their InvoCare Shares to BidCo, in exchange for BidCo paying \$12.70 cash for each InvoCare Share they hold on the Scheme Record Date less the amount of any Special Dividend that may be declared and paid by InvoCare.</p> <p>There are also Scrip Consideration Options which are alternatives to the Cash Consideration under the Scheme. These provide InvoCare Shareholders an opportunity to acquire a continuing indirect minority interest in the InvoCare business once it has been privatised, in addition to any Special Dividend that may be declared and paid by InvoCare before the Scheme is implemented.</p> <p>The proposal is structured as a scheme of arrangement between InvoCare and all persons who hold InvoCare Shares as at the Scheme Record Date.</p> <p>If the Scheme becomes Effective, InvoCare will become a wholly owned subsidiary of BidCo and will be removed from the ASX's official list.</p>	Section 6
What is a scheme of arrangement?	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act and is commonly used in transactions in Australia that may result in a change of ownership or control of a company. It requires a vote in favour of the Scheme by the requisite majorities of InvoCare Shareholders as well as approval of the Court.	Section 6
2 Overview of the Scheme Consideration		
What is the Scheme Consideration?	<p>The Scheme Consideration is either the:</p> <ul style="list-style-type: none"> o All Cash Consideration; o Mixed Consideration Option 1; o Mixed Consideration Option 2; o Mixed Consideration Option 3; o the All Scrip Consideration; or o Custom Consideration, <p>subject to the terms of the Scheme and the valid Election made by each InvoCare Shareholder.</p>	Section 6.3
What is the All Cash Consideration?	<p>If the Scheme becomes Effective (unless you make a valid Election to receive Scrip Consideration), InvoCare Shareholders will receive \$12.70 in cash for each InvoCare Share held as at the Scheme Record Date less the amount of a fully franked dividend of up to \$0.60 per InvoCare Share for each InvoCare Share you hold as at the Special Dividend Record Date that the InvoCare Board may declare and pay before the Scheme is implemented.</p> <p>Refer to the question '<i>What is the Special Dividend?</i>' for further information.</p>	Section 6.3a

Question	Answer	More information
<p>What are the Scrip Consideration Options?</p>	<p>As an alternative to receiving the All Cash Consideration, eligible InvoCare Shareholders have the option to elect to receive one of the Scrip Consideration Options. Under the Scrip Consideration Options, eligible InvoCare Shareholders can make an Election to receive one of the following:</p> <ul style="list-style-type: none"> o Mixed Consideration Option 1: Cash Consideration in respect of 75% of their InvoCare Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 25% of their InvoCare Shares held on the Scheme Record Date, subject to the qualifications below; o Mixed Consideration Option 2: Cash Consideration in exchange for 50% of their InvoCare Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 50% of their InvoCare Shares held on the Scheme Record Date, subject to the qualifications below; Mixed Consideration Option 3: Cash Consideration in exchange for 25% of their InvoCare Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 75% of their InvoCare Shares held on the Scheme Record Date, subject to the qualifications below; o All Scrip Consideration: Scrip Consideration in respect of 100% of their InvoCare Shares held on the Scheme Record Date, subject to the qualifications below; or o Custom Consideration: Cash Consideration in exchange for such number of InvoCare Shares and Scrip Consideration in exchange for such number of InvoCare Shares, each as agreed with BidCo in writing in its absolute discretion. 	<p>Section 6.3b</p>
	<p>Any Custom Consideration Election made will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that eligible InvoCare Shareholder's Election for Custom Consideration. If BidCo does not provide a written acceptance by the Election Date, or such an Election has been made by an Ineligible Foreign Shareholder, the InvoCare Shareholder will receive the Cash Consideration for each InvoCare Share held as at the Scheme Record Date. Any eligible InvoCare Shareholder that is considering making a Custom Consideration Election should complete and return the Election Form as soon as possible so that BidCo can consider it before the Election Date.</p>	
	<p>In each of the Scrip Consideration Options, the Scrip Consideration will be such number of Class B Shares as is equivalent to \$12.70 minus the amount of any Special Dividend that may be declared and paid per InvoCare Share held on the Special Dividend Record Date, subject to the Minimum Scrip Threshold,²⁶ the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. See Section 6.4 for worked examples of the different Scrip Consideration Options that are available and how they interact with any Special Dividend that may be declared.</p>	
	<p>If a Special Dividend is declared and paid, an InvoCare Shareholder who elects to receive Scrip Consideration will also receive any Special Dividend in respect of each InvoCare Share held by that InvoCare Shareholder on the Special Dividend Record Date.</p>	
	<p>Refer to the question '<i>What should I be aware of if I make an Election to receive Scrip Consideration?</i>' for further information.</p>	
<p>What are the Class B Shares in HoldCo available under the Scrip Consideration Options worth?</p>	<p>The value of the Class B Shares in HoldCo available under the Scrip Consideration Options is uncertain and will be dependent, amongst other factors, on BidCo's business plan for the InvoCare Group, their execution thereof and any future liquidity events.</p>	<p>A copy of the Independent Expert's Report is contained in Appendix B</p>

²⁶ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



4 Frequently asked questions

continued

Question	Answer	More information
What should I be aware of if I make an Election to receive Scrip Consideration?	<p>Importantly, InvoCare Shareholders should be aware that if they make a valid Election to receive Scrip Consideration:</p> <ul style="list-style-type: none"> o they will face risks that apply to an investment in HoldCo that are materially different from, and in addition to, those risks that apply to their existing investment in InvoCare; o there will be no public market for the trading of share in HoldCo (an unlisted public company) post-implementation of the Scheme nor is there expected to be any such market in the future; o there are restrictions on the disposal of Class B Shares under the HoldCo Shareholders' Deed that will restrict any prospective seller of shares in HoldCo from trading in their shares in HoldCo; o InvoCare Shareholders who receive Class B Shares under the Scheme will become parties to the HoldCo Shareholders' Deed which is intended to regulate the rights and obligations of the Class A Shareholders and the Class B Shareholders in relation to HoldCo and its subsidiaries. The Class B Shareholders will have fewer rights as a shareholder in HoldCo when compared to your current investment in InvoCare; and o InvoCare Shareholders who receive Class B Shares under the Scheme will be subject to risks inherent in minority shareholdings (as InvoCare Shareholders who receive shares in HoldCo under the Scheme will collectively have no more than a 20% interest in HoldCo). <p>InvoCare Shareholders should carefully read Sections 9.4 and 10.4 for additional information on some of the risks associated with an investment in HoldCo and consider obtaining appropriate professional advice before making any Election to receive Scrip Consideration.</p>	Sections 9.4 and 10.4
What is the Minimum Scrip Threshold?	<p>The Scrip Consideration will only be available to Scheme Shareholders if the Minimum Scrip Threshold is satisfied. That is, if Elections received under the Scheme would result in InvoCare Shareholders holding, in aggregate, at least 5% of the total issued capital of HoldCo as at the Implementation Date or a lesser percentage notified by BidCo to InvoCare at least three Business Days before the Scheme Meeting. If the aggregate valid Elections will represent less than 5% of the issued capital of InvoCare as at the Implementation Date, as set out in Section 9.4a), BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.²⁷</p> <p>For completeness, if the Minimum Scrip Threshold is not satisfied, all Scheme Shareholders, including those who have made valid Elections, will receive the Cash Consideration in respect of their Scheme Shares.</p>	Section 6.3c
What is the Maximum Scrip Threshold and Scaleback Mechanism?	<p>The Scrip Consideration Options are also subject to a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. That is, if Elections received under the Scheme would result in InvoCare Shareholders holding, in aggregate, greater than 20% of the total issued capital of HoldCo as at the Implementation Date.</p> <p>If the Maximum Scrip Threshold is exceeded, then the pro rata Scaleback Mechanism will apply to ensure that the total number of Class B Shares issued under the Scheme does not exceed 20% of the total shares on issue in HoldCo as at the Implementation Date.</p>	Section 6.3d
When will I find out if the Minimum Scrip Threshold has been met and if the Scaleback Mechanism applies?	<p>InvoCare will announce the results of the Election process to the ASX, including whether the Minimum Scrip Threshold has been met and,²⁸ if so, whether the Scaleback Mechanism applies.</p> <p>The announcement is currently expected to be made on 26 October 2023.</p>	Section 6.3g

²⁷ InvoCare Shareholders should refer to Section 7.2d), which sets out the minimum Elections for Scrip Consideration to be made by Rolling InvoCare Executives. As set out in Section 9.4a), if the aggregate valid Elections of InvoCare Shareholders will represent less than 5% of the issued capital of HoldCo as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.

²⁸ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

Question	Answer	More information
Do I need to elect to receive the Cash Consideration?	No. If the Scheme is approved and implemented, InvoCare Shareholders will automatically receive the Cash Consideration unless they have made a valid Election to receive Scrip Consideration.	Section 6.3a
How do I make an Election to receive Scrip Consideration?	If you are an eligible InvoCare Shareholder and wish to elect a Scrip Consideration Option, you need to complete an Election Form in accordance with the instructions set out in the Election Form and return it to the InvoCare Registry by the Election Date being 7:00pm on 24 October 2023. InvoCare will announce the results of the Election process to the ASX, including whether the Minimum Scrip Threshold has been met and, ²⁹ if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on 26 October 2023.	Section 5.6
If I make an Election, can I later withdraw or change it?	Yes. You may change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form by no later than the Election Date (being 7:00pm on 24 October 2023). Where an InvoCare Shareholder returns more than one Election Form, the last valid Election Form received by the InvoCare Registry before the Election Date will be treated as revoking for all purposes any other Election Form and used to determine your Election.	Section 5.6
What if I do not make an Election in time or if the Election is invalid?	If you do not make a valid Election or your Election is not received by the InvoCare Registry by the Election Date, you will receive the Cash Consideration for all of your Scheme Shares. If you are an Ineligible Foreign Shareholder or become an InvoCare Shareholder after the Election Date, you will receive the Cash Consideration for all of your Scheme Shares.	Section 5.6
Who is an Ineligible Foreign Shareholder	If your Registered Address, as shown in the InvoCare Share Register as at the Scheme Record Date, is in a place outside Australia and its external territories, you will be an Ineligible Foreign Shareholder. If you are an InvoCare Shareholder whose Registered Address as shown in the InvoCare Share Register is in a place outside Australia or its external territories and you wish to elect a Scrip Consideration Option, you should contact the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia) to enquire as to whether you may be an eligible InvoCare Shareholder.	Section 6.3h
How will an Ineligible Foreign Shareholder be treated under the Scheme?	If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Scrip Consideration. If you make an Election to receive Scrip Consideration and you are an Ineligible Foreign Shareholder, your Election will be invalid and have no effect, and you will receive the All Cash Consideration for all of your Scheme Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the All Cash Consideration in respect of all of their Scheme Shares held on the Scheme Record Date if the Scheme becomes Effective. If you are an Ineligible Foreign Shareholder you will also receive any Special Dividend that may be declared and paid by InvoCare in respect of each InvoCare Share you hold as at the Special Dividend Record Date.	Section 6.3h

²⁹ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



4 Frequently asked questions

continued

Question	Answer	More information
3 InvoCare Board Recommendation		
What do the InvoCare Directors recommend?	<p>The InvoCare Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.³⁰</p> <p>The InvoCare Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the Cash Consideration.</p> <p>The InvoCare Directors make no recommendation in relation to the Scrip Consideration Options, due to the speculative nature of the Class B Shares, the fact that whether the Scrip Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual InvoCare Shareholder.</p> <p>The reasons for the InvoCare Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 3.</p>	Section 3
Do the InvoCare Directors have any specific views or recommendations for InvoCare Shareholders on the Scrip Consideration Options?	<p>No.</p> <p>The default form of consideration under the Scheme is the All Cash Consideration which provides InvoCare Shareholders with the opportunity to receive Cash Payments of up to \$12.70 per Scheme Share for all of their Scheme Shares. The InvoCare Directors have recommended that you approve the Scheme by voting in favour of the Scheme Resolution based on the quantum of the Cash Consideration.</p> <p>The InvoCare Directors make no recommendation in relation to the Scrip Consideration Options, due to the speculative nature of the Class B Shares, the fact that whether the Scrip Consideration is appropriate will depend significantly on the characteristics and risk profile of the individual InvoCare Shareholder.</p> <p>Eligible InvoCare Shareholders who are considering making an Election to receive Scrip Consideration should:</p> <ul style="list-style-type: none"> o take into account the Minimum Scrip Threshold,³¹ the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 6, which may affect whether the Scrip Consideration Options will be issued and the number of Class B Shares that will actually be received; o take into account that the Class B Shares would be subject to the rights and restrictions set out in the HoldCo Shareholders' Deed and the HoldCo Constitution, copies of which are set out in Appendix E and Appendix F and described in Section 9.4; o carefully consider the matters set out in Section 9.4 and some of the risk factors set out in Section 10.4, noting that an investment in HoldCo does not involve the same liquidity and other protections which shareholders have when investing in an ASX listed company; o carefully consider the tax considerations set out in Section 11 and how they apply to the Scrip Consideration Options in comparison to the Cash Consideration; o take into account the Independent Expert's Report and the views expressed in relation to the Class B Shares set out in Annexure C; and o consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in HoldCo meets their individual investment objectives. <p>Ultimately, your InvoCare Directors consider that it is a matter for each Eligible InvoCare Shareholder to decide whether or not to make an Election to receive Scrip Consideration, having regard to their individual circumstances, financial situation, tax profile, investment objectives and risk profile.</p>	Sections 2 and 3

³⁰ You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Equity Incentives, as set out in Sections 7.2 and 12.5 of this Scheme Booklet.

³¹ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

Question	Answer	More information
How do the InvoCare Directors intend to vote?	Each InvoCare Director intends to vote the InvoCare Shares they have a Relevant Interest in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.	Sections 2 and 3
What is the opinion of the Independent Expert?	<p>The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and hence that the Scheme is in the best interests of InvoCare Shareholders in the absence of a Superior Proposal.</p> <p>The Independent Expert has assessed the full underlying value of InvoCare Shares at between \$11.61 and \$13.00 per InvoCare Share. The Cash Consideration is within this range.</p> <p>The Independent Expert has not provided an opinion on the Scrip Consideration Options.</p> <p>A complete copy of the Independent Expert's Report is included in Appendix B.</p>	A complete copy of the Independent Expert's Report is included in Appendix B
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> ○ vote for or against the Scheme Resolution to approve the Scheme (in person, online, or by proxy, corporate representative or attorney); ○ sell your InvoCare Shares on-market before the Effective Date or off-market before the Scheme Record Date; or ○ abstain or do nothing, in which case: <ul style="list-style-type: none"> ○ if the Scheme becomes Effective, your InvoCare Shares will be transferred to BidCo and you will receive the Cash Consideration for all of your InvoCare Shares held on the Scheme Record Date; and ○ if the Scheme does not become Effective, you will continue to hold your InvoCare Shares. <p>If you are an eligible InvoCare Shareholder and you wish to receive Scrip Consideration instead of the Cash Consideration, you will need to complete and return an Election Form in accordance with the instructions on that Election Form by no later than the Election Date (currently expected to be 7:00pm on 24 October 2023). You do not need to complete an Election Form if you wish to receive the All Cash Consideration.</p>	Section 3
Can I sell my InvoCare Shares now?	<p>Yes.</p> <p>You can sell your InvoCare Shares on market at any time before the close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration). You will not be able to sell your InvoCare Shares on market after the Effective Date, as this will be the last day of trading in InvoCare Shares on the ASX before trading in InvoCare Shares on the ASX is suspended.</p> <p>You may however seek to sell your InvoCare Shares off-market after the Effective Date but before the Scheme Record Date.</p> <p>If you sell your InvoCare Shares before the Scheme Record Date, you:</p> <ul style="list-style-type: none"> ○ may receive the proceeds from the sale of your InvoCare Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration); ○ will not receive the Special Dividend, if you are not an InvoCare Shareholder on the Special Dividend Record Date; ○ may incur brokerage costs if you sell your InvoCare Shares on market; and ○ will not be able to participate in the Scheme or a Superior Proposal, if one emerges after the date on which you sell your InvoCare Shares. 	N/A
What should I do?	You should read this Scheme Booklet carefully in its entirety and then vote by attending the Scheme Meeting virtually, in person or by appointing a proxy, corporate representative to attend the relevant Scheme Meeting on your behalf. InvoCare strongly encourages InvoCare Shareholders to consider lodging a directed proxy in the event they are not able to participate in the Scheme Meeting.	N/A



4 Frequently asked questions

continued

Question	Answer	More information
4 Information about TPG and the Bidder Group		
Who is TPG, BidCo and HoldCo?	<p>TPG was founded in 1992 and is a leading global alternative asset manager with approximately US\$139 billion of assets under management as at September 2023. TPG has 19 offices across 10 countries, providing it with a substantial global footprint and network for sourcing transactions, raising capital and driving value in its investments.</p> <p>TPG has extensive experience in implementing global public and private investments executed through leveraged buyouts, recapitalisations, spinouts, growth investments, joint ventures and restructures.</p> <p>BidCo is an Australian proprietary company incorporated for the purpose of acquiring all of the InvoCare Shares.</p> <p>HoldCo is an unlisted Australian public company incorporated for the purpose of indirectly holding all of the shares in BidCo, as well as issuing the Class B Shares to Scheme Shareholders who validly elect to receive part of their Scheme Consideration in the form of Class B Shares in accordance with the Scheme.</p>	Sections 9.1, 9.2 and 9.3
What is a Class B Share?	A Class B Share in the capital of HoldCo having the rights and obligations set out in the HoldCo Shareholders' Deed, the HoldCo Constitution and the Nominee Deed.	Section 9.4
What are BidCo's intentions if the Scheme is implemented?	BidCo intends to delist InvoCare from the ASX, conduct a detailed review of the business and reconstitute the InvoCare Board, amongst other things.	Section 9.6
What is the HoldCo Shareholders' Deed?	The shareholders' deed in respect of the affairs of HoldCo to be entered into by HoldCo on substantially the terms set out in Appendix E. Scheme Shareholders who receive Scrip Consideration will, in electing to receive the Scrip Consideration and by virtue of the Scheme being implemented, become bound by the HoldCo Shareholders' Deed (and the HoldCo Constitution).	Section 9.4c Appendix E
How is BidCo funding the Scheme Consideration?	BidCo intends to fund the Scheme Consideration through a combination of equity committed by TPG Asia VII and TPG Asia VIII and third party debt financing.	Section 9.5
5 Scheme Meeting and Voting Requirements		
What is the Scheme Resolution?	The Scheme Resolution is a resolution to approve the Scheme. It will be voted on at the Scheme Meeting and is set out in the Notice of Scheme Meeting at Appendix A.	The Notice of Scheme Meeting contained in Appendix A sets out further details on the Scheme Meeting
What voting majority is required to approve the Scheme?	<p>The Scheme needs to be approved by the requisite majorities of InvoCare Shareholders at the Scheme Meeting, which is:</p> <ul style="list-style-type: none"> o at least 75% of the total number of votes cast on the Scheme Resolution (in person, virtually or by proxy, attorney or corporate representative), where each InvoCare Share carries one vote; and o a majority in number (more than 50%) of InvoCare Shareholders present and voting (in person, virtually or by proxy, attorney or corporate representative), where each InvoCare Shareholder counts as one vote. <p>The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.</p> <p>If the Scheme is not approved by the requisite majorities of InvoCare Shareholders and approved by the Court, the Scheme will not proceed.</p>	Section 5.2

Question	Answer	More information
Am I entitled to vote?	Each InvoCare Shareholder who is registered on the InvoCare Share Register as at the Meeting Record Date, is entitled to vote at the Scheme Meeting.	The Notice of Scheme Meeting contained in Appendix A sets out further details on your entitlement to vote at the Scheme Meeting
How do I vote?	You can vote on the Scheme Resolution: <ul style="list-style-type: none"> o in person, by personally attending the Scheme Meeting; o online if you attend the Scheme Meeting virtually via the online meeting platform by entering the following URL www.meetings.linkgroup.com/IVCScheme23 into a web browser on your computer, tablet or smartphone; or o by appointing a proxy (including by completing and returning the Proxy Form or lodging your proxy online at www.investorcentre.linkgroup.com before 10:00 am on 29 October 2023) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is available to you. 	Section 5.5 and the Notice of Scheme Meeting contained in Appendix A set out further details on how to vote at the Scheme Meeting
Is voting compulsory?	No. Voting is not compulsory. However, InvoCare Directors believe that the Scheme is important for all InvoCare Shareholders and the InvoCare Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.	The reasons for the InvoCare Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 3
Why should I vote in favour of the Scheme?	Section 3.2 sets out some of the reasons as to why the InvoCare Directors consider that you should vote in favour of the Scheme.	Section 3.2
Why might I consider voting against the Scheme?	Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme.	Section 3.3
When and where will the Scheme Meeting be held?	The Scheme Meeting is currently expected to be held at 10.00am on 31 October 2023 in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000 and online via the online meeting platform at www.meetings.linkgroup.com/IVCScheme23 .	Section 5.1 and the Notice of Scheme Meeting contained in Appendix A set out further details on the Scheme Meeting
When will the result of the Scheme Meeting be known?	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX as soon as practicable. Even if the Scheme Resolution is passed by the Scheme Meeting, the Scheme is subject to approval of the Court.	Section 5
What happens to my InvoCare Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	If the Scheme becomes Effective and you are an InvoCare Shareholder as at the Scheme Record Date, your InvoCare Shares will be transferred pursuant to the Scheme and you will be entitled to receive the Scheme Consideration for your InvoCare Shares. This is even if you did not vote, or voted against the Scheme. If the Scheme is not approved by InvoCare Shareholders and the Court and does not become Effective, you will remain an InvoCare Shareholder.	Section 3.4



4 Frequently asked questions

continued

Question	Answer	More information
What can I do if I oppose the Scheme?	<p>If you, as a InvoCare Shareholder, oppose the Scheme, you may:</p> <ul style="list-style-type: none"> o attend the Scheme Meeting virtually, in person or by proxy, representative or attorney and vote against the relevant Scheme Resolution; and/or o if InvoCare Shareholders pass the Scheme Resolution at the Scheme Meeting and you wish to appear and be heard at the hearing on the Second Court Date, you must lodge a notice of intention to appear at such hearing and indicate opposition to the Scheme. You should seek professional advice as to how to do this. 	See Important notices, Section 3.3, Appendix A

6 Special Dividend

What is the Special Dividend?	<p>The Special Dividend is a fully franked cash dividend that the InvoCare Board may decide to declare and pay up to \$0.60 per InvoCare Share held by an InvoCare Shareholder on the Special Dividend Record Date.</p> <p>If the InvoCare Board decides to pay the Special Dividend, payment of such Special Dividend is conditional on the Scheme becoming Effective.</p> <p>It is important to note that the Special Dividend does not represent an additional payment over and above the Scheme Consideration. If the InvoCare Board decides to pay the Special Dividend, the Scheme Consideration provided to InvoCare Shareholders on the Implementation Date will be reduced by the cash amount of the Special Dividend per InvoCare Share held on the Special Dividend Record Date.</p> <p>The InvoCare Board currently intends to declare and pay a fully franked Special Dividend of up to \$0.60 per InvoCare Share, which if declared and paid, will result in franking credits of up to approximately \$0.257 per InvoCare Share. Whether InvoCare Shareholders will be able to realise the full benefit of the franking credits will depend on their individual tax status and specific circumstances. InvoCare Shareholders should seek professional taxation advice in this regard.</p>	Section 7.1h
Will I receive the Special Dividend if I make a valid Election to receive Scrip Consideration?	If a Special Dividend is declared and paid, an InvoCare Shareholder who elects to receive Scrip Consideration will also receive any Special Dividend that may be declared and paid by InvoCare in respect of each InvoCare Share held by that InvoCare Shareholder on the Special Dividend Record Date.	Section 6.3b
When will I know if InvoCare has decided to declare and pay a Special Dividend and, if so, what the amount of the Special Dividend will be?	<p>On or before the date of the Scheme Meeting. The decision of the InvoCare Board to pay a Special Dividend will be communicated to InvoCare Shareholders by way of an ASX announcement.</p> <p>If the InvoCare Board decides to pay the Special Dividend, the cash amount of the Special Dividend will be up to \$0.60 per InvoCare Share held by an InvoCare Shareholder on the Special Dividend Record Date.</p>	Sections 6.3i and 7.1h
Am I eligible to receive the Special Dividend?	If you hold InvoCare Shares on the Special Dividend Record Date, you will be eligible to receive the Special Dividend in respect of each InvoCare Share held by you on that date.	Sections 6.3i and 7.3f
When will I receive the Special Dividend?	The Special Dividend is conditional, among other things, on the Scheme becoming Effective and InvoCare receiving the Tax Confirmations, and in accordance with the Scheme Implementation Deed the Special Dividend must be declared and paid no later than the Implementation Date.	Section 7.1h
Will the Special Dividend be franked?	If the InvoCare Board decides to declare and pay the Special Dividend it will be fully franked. This means that, assuming a fully franked Special Dividend of \$0.60 is declared and paid, depending on the tax status and individual circumstances of each InvoCare Shareholder, each InvoCare Shareholder on the InvoCare Share Register on the Special Dividend Record Date may also receive franking credits of up to approximately \$0.257 per InvoCare Share. ³² InvoCare Shareholders should read and consider Section 11 in relation to possible taxation implications of the Scheme and obtain professional or taxation advice applicable to their individual circumstances.	Sections 7.1h and 11.

³² When assessing the benefit of franking credits attached to any Special Dividend, InvoCare Shareholders should seek independent professional taxation advice as to whether or not receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 11.

Question	Answer	More information
7 Implementation of the Scheme		
What will happen to InvoCare if the Scheme becomes Effective?	If the Scheme becomes Effective, all of the InvoCare Shares will be acquired by BidCo and it is intended that InvoCare will be removed from the ASX's official list.	Section 6.2
Are there conditions that need to be satisfied before the Scheme can proceed?	<p>Yes.</p> <p>Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent. These Conditions Precedent are summarised in Section 7.1a) and set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>As at the Last Practicable Date, the InvoCare Directors are not aware of any reason why any Condition Precedent will not be satisfied or waived (if capable of waiver).</p>	Section 7.1a
When will the Scheme become Effective?	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> o the Scheme is approved by the requisite majorities of InvoCare Shareholders under subparagraph 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting; o the Court approves the Scheme on the Second Court Date in accordance with paragraph 411(4)(b) of the Corporations Act; and o all other Conditions Precedent are satisfied or waived (as applicable). <p>Subject to the above, the Scheme will become Effective on the Effective Date.</p>	Section 7.3b
When will InvoCare Shares cease trading on ASX?	InvoCare Shares are expected to cease trading from the close of trading on the ASX on the Effective Date, currently expected to be on 3 November 2023.	Sections 12.2 and 12.3
When will I receive the Scheme Consideration?	<p>If the Scheme becomes Effective, the Scheme Consideration will be provided to Scheme Shareholders on the Implementation Date.</p> <p>If the Scheme is not approved by the requisite majorities of InvoCare Shareholders in accordance with subparagraph 411(4)(a)(ii) of the Corporations Act or the Court in accordance with paragraph 411(4)(b) of the Corporations Act, the Scheme Consideration will not be provided.</p>	Sections 7.3h and 7.3i
How will I be paid the Cash Consideration?	<p>The Cash Consideration will be paid by direct deposit into your nominated bank account, as advised to the InvoCare Registry as at the Scheme Record Date.</p> <p>If you have not nominated a bank account, payment will be made by Australian dollar cheque sent by post to your Registered Address as shown on the InvoCare Share Register.</p> <p>You can review and update your bank account details online at www.investorcentre.linkgroup.com/Login/Login before the Scheme Record Date.</p> <p>If you have elected to receive dividend payments through OFX, a third party service offered by the InvoCare Registry, your cash component of your Scheme Consideration will be paid out through OFX.</p> <p>If you are unable to receive cheque payments due to being domiciled outside of Australia, you can still sign up to the OFX payment system to have these funds remitted to you.</p>	Section 7.3h
What are the tax implications of the Scheme?	<p>If the Scheme becomes Effective, there may be tax consequences for Scheme Shareholders which may include tax being payable on any gain on disposal of InvoCare Shares.</p> <p>For further general information about the Australian tax consequences of the Scheme for certain InvoCare Shareholders, see Section 11.</p> <p>The tax treatment may vary depending on your individual circumstances. InvoCare encourages you to seek independent professional taxation advice in relation to your particular circumstances.</p>	Section 11
Will I have to pay brokerage or stamp duty?	No, you will not have to pay brokerage or stamp duty if your InvoCare Shares are acquired under the Scheme.	Sections 3.2i and 11.5



4 Frequently asked questions

continued

Question	Answer	More information
What happens if the Scheme is not approved?	<p>If the Scheme is not approved by the requisite majorities of InvoCare Shareholders in accordance with subparagraph 411(4)(a)(ii) of the Corporations Act, or the Court in accordance with paragraph 411(4)(b) of the Corporations Act, the Scheme will not proceed.</p> <p>If the Scheme does not proceed:</p> <ul style="list-style-type: none"> o the Scheme Consideration will not be provided to Scheme Shareholders; o BidCo will not acquire the Scheme Shares; o InvoCare will continue to be listed on the ASX; and o InvoCare Shareholders will retain their InvoCare Shares and continue to share in any benefits and risks of InvoCare's ongoing business. <p>If the Scheme does not proceed, and no Superior Proposal emerges, InvoCare Shareholders will continue to be exposed to the general market risks set out in Section 10.2 and the risk factors relating to the business and operations of InvoCare set out in Section 10.3, including the risk that the price of InvoCare Shares may fall.</p>	Section 6.2
What happens if a Competing Proposal for InvoCare emerges?	<p>Although no Competing Proposal has emerged as at the Last Practicable Date, if an unsolicited Competing Proposal for InvoCare is received before the Scheme Meeting, the InvoCare Directors will carefully consider it to determine whether it is a Superior Proposal and will inform you of any material developments.</p> <p>InvoCare must notify BidCo of, and BidCo has a right to match, any Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>InvoCare Shareholders should note that InvoCare has agreed to certain exclusivity and break fee provisions in favour of BidCo under the Scheme Implementation Deed.</p>	Sections 7.1c and 7.1d
When will the Break Fee be payable?	<p>InvoCare will be obliged to pay BidCo the Break Fee in certain circumstances, including if during the Exclusivity Period, subject to certain exceptions, any InvoCare Director withdraws, adversely changes, adversely modifies or adversely qualifies their recommendation to vote in favour of the Scheme or indicates they no longer recommend the Transaction or recommends, supports or endorses a Competing Proposal.</p>	Sections 3.4e and 7.1d
When will the Reverse Break Fee be payable?	<p>BidCo is required to pay InvoCare the Reverse Break Fee if InvoCare has terminated the Scheme Implementation Deed for material breach (including material breach of a Bidder Representation and Warranty) and the Scheme does not become Effective.</p> <p>As at the Last Practicable Date, no Reverse Break Fee is currently payable by InvoCare.</p>	Section 7.1e

8 Further information

Where can I get further information?	For further information, you can call the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia).	Important Notices and Section 8.9
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SECTION 5

**Scheme Meeting details
and instructions on
how to vote and how to
make an Election**



5 Scheme Meeting details and instructions on how to vote and how to make an Election

This Section 5 contains information pertaining to the Scheme Meeting, including the specific details of the Scheme Meeting (for example, date, time and location), how to vote at the Scheme Meeting, the voting majorities required at the Scheme Meeting and how to elect to receive Scrip Consideration.

5.1 Scheme Meeting details

The notice convening the Scheme Meeting is attached at Appendix A to this Scheme Booklet. A personalised Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. The Proxy Form contains a control number that you will need if you wish to lodge your proxy online.

The Scheme Meeting is expected to be held in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000, and virtually via the online meeting platform that may be accessed by using the following URL www.meetings.linkgroup.com/IVCScheme23, on 31 October 2023 at 10:00 am.

Instructions on how to ask questions during the Scheme Meeting are outlined in the Notice of Scheme Meeting in Appendix A. Please note, only InvoCare Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the Scheme Meeting. InvoCare Shareholders are therefore encouraged to lodge questions prior to the Scheme Meeting at www.investorcentre.linkgroup.com by 10.00am on 29 October 2023.

5.2 Voting majorities required

The Scheme needs to be approved by the requisite majorities of InvoCare Shareholders at the Scheme Meeting, which is:

- o at least 75% of the total number of votes cast on the Scheme Resolution by InvoCare Shareholders present and voting (in person, virtually or by proxy, attorney or corporate representative); and
- o a majority in number (more than 50%) of InvoCare Shareholders present and voting (in person, virtually or by proxy, corporate representative or attorney) at the Scheme Meeting.

The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.

If the Scheme is not approved by the requisite majorities of InvoCare Shareholders in accordance with subparagraph 411(4)(a)(ii) of the Corporations Act and approved by the Court in accordance with paragraph 411(4)(b) of the Corporations Act, the Scheme will not proceed.

5.3 Your vote is important

InvoCare Directors urge InvoCare Shareholders to vote on the Scheme Resolution. The Scheme affects your shareholding in InvoCare and your vote on the Scheme Resolution is important in determining whether the Scheme becomes Effective.

5.4 Voting entitlements

InvoCare Shareholders registered on the InvoCare Share Register on the Meeting Record Date (currently expected to be 7:00pm on 29 October 2023) will be entitled to vote at the Scheme Meeting.

5.5 How to vote

a) Voting in person

To vote in person at the Scheme Meeting, InvoCare Shareholders must attend the Scheme Meeting. An InvoCare Shareholder entitled to attend and vote at the Scheme Meeting will be admitted to the Scheme Meeting upon providing evidence of his or her name and address at the point of entry to the Scheme Meeting.

b) Voting online

InvoCare Shareholders participating in the Scheme Meeting using the online meeting platform will be able to vote between the commencement of the Scheme Meeting and the closure of voting as announced by the Chair during the Scheme Meeting. If you are unable to attend, you may also lodge your vote online at www.investorcentre.linkgroup.com.

If you choose to participate in the Scheme Meeting online, registration will open at 9.30am on 31 October 2023. To participate in the Scheme Meeting online, you can log in to the Scheme Meeting from your computer, or from your mobile device by entering the following URL into your web browser on your computer, tablet or smartphone: www.meetings.linkgroup.com/IVCScheme23.

Once on the URL, InvoCare Shareholders will need the following information to participate in the Scheme Meeting in real-time:

1. Your postcode registered to your holding if you are an Australian InvoCare Shareholder.
2. Overseas InvoCare Shareholders should select the country of domicile.
3. The VAC (Voter Access Code) for the Scheme Meeting, this will be printed on the Proxy Form or provided in the Scheme Meeting email communication.

c) Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

InvoCare Shareholders wishing to appoint a proxy to attend and vote at the Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form. The Proxy Form contains a control number that you will need if you wish to lodge your proxy online.

Proxy Forms may be lodged using one or more of the following methods:

Method	Instructions
Online	Lodge your vote online at www.investorcentre.linkgroup.com .
	Login to the Link Market Services website using the holding details as shown on the Proxy Form. Select "Voting" and follow the prompts to lodge your vote. To use the online lodgement facility, InvoCare Shareholders will need their "Holder Identifier" ("Securityholder Reference Number" or "Holder Identification Number" as shown on the front of the Proxy Form).
Mobile device	The InvoCare Registry voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code on the Proxy Form or by entering the voting link www.investorcentre.linkgroup.com into your mobile device. Log in using the "Holder Identifier" and postcode for your InvoCare Shares. To scan the code on the Proxy Form you will need a QR code reader application which can be downloaded for free on your mobile device.
Mail	InvoCare Limited C/- Link Market Services Limited
	Locked Bag A14 Sydney South NSW 1235 Australia
Fax	+612 9287 0309
Hand delivery	Deliver during business hours (Monday to Friday, 9:00am – 5:00pm) to :
	Link Market Services Parramatta Square Level 22, Tower 6 10 Darcy Street Parramatta NSW 2150 <i>or</i> Level 12 680 George Street, Sydney NSW 2000

Proxy Forms must be received by the InvoCare Registry by the Last Date for Proxy Forms. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney's authority must be received by the InvoCare Registry at the same time as the Proxy Form (unless previously provided to the InvoCare Registry).

A proxy will be admitted to the Scheme Meeting upon providing evidence of their name and address at the point of entry to the Scheme Meeting.

InvoCare Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the Scheme Meeting.

d) Voting by attorney

InvoCare Shareholders wishing to appoint an attorney to attend and vote at the Scheme Meeting on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the InvoCare Registry by no later than 10:00 am on the Last Date for Proxy Forms (currently expected to be 29 October 2023). Persons attending the Scheme Meeting as an attorney should bring to the Scheme Meeting the original or a certified copy of the instrument under which they have been appointed as an attorney and authorised to attend and vote at the Scheme Meeting.

e) Voting by corporate representative

InvoCare Shareholders who are bodies corporate may have a corporate representative attend and vote at a Scheme Meeting on their behalf. The appointment must comply with section 250D of the Corporations Act. If a corporate representative is to attend the Scheme Meeting, the appropriate "Certificate of Appointment of Corporate Representative" must be lodged with InvoCare before the Scheme Meeting or at the registration desk on the day of the Scheme Meeting. A form of the certificate may be obtained from the InvoCare Registry or online at www.linkmarketservices.com.au. InvoCare will require a certificate of appointment of any corporate representative to be executed in accordance with the Corporations Act. Further, a corporate representative must return a certified copy of the relevant power of attorney under which it is signing any Proxy Form to the InvoCare Registry by no later than 10:00 am on the Last Date for Proxy Forms (currently expected to be 29 October 2023).

5.6 Scheme Consideration Elections

You can make an Election to receive Scrip Consideration by completing the Election Form (sent with this Scheme Booklet) and returning it in accordance with the instructions on the Election Form so that it is received by the InvoCare Registry by no later than the Election Date (currently expected to be 7:00pm on 24 October 2023). Alternatively you are able to make an Election online at www.events.miracle.com/ivc-scheme/scheme.

Any Custom Consideration Election made will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that eligible InvoCare Shareholder's Election for Custom Consideration. Any eligible InvoCare Shareholder that is considering making a Custom Consideration Election should complete and return the Election Form as soon as possible so that BidCo can consider it before the Election Date.

If you do not make a valid Election, your Election is not received by the InvoCare Registry by the Election Date, or you have made a Custom Consideration Election that has not been accepted in writing by BidCo (in its absolute discretion) by the Election Date, you will receive the All Cash Consideration. If you are an Ineligible Foreign Shareholder or a persons who becomes a InvoCare Shareholder after the Election Date you will also receive the All Cash Consideration.



5 Scheme Meeting details and instructions on how to vote and how to make an Election

continued

If you need any assistance with completing an online Election or need a replacement Election Form, please call the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +611800 774 615 (outside Australia).

You may also change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form. A new Election Form may be requested by calling the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +611800 774 615 (outside Australia). Where an InvoCare Shareholder returns more than one Election Form, the last valid Election Form that is received by the InvoCare Registry before the Election Date will be treated as revoking for all purposes any other Election Form and will be used to determine your Election.

TO BE VALID, ELECTION FORMS OR AMENDED ELECTION FORMS MUST BE RECEIVED BY THE INVOCARE REGISTRY BY NO LATER THAN THE ELECTION DATE (CURRENTLY EXPECTED TO BE 24 OCTOBER 2023 AT 7:00PM).

There are a number of ways Election Forms may be submitted:

Method	Instructions
Online	www.linkmarketservices.com.au
	InvoCare Limited C/- Link Market Services Limited
Mail	Locked Bag A14 Sydney South NSW 1235 Australia
Fax	+612 9287 0309
Hand delivery	Deliver during business hours (Monday to Friday, 9:00am – 5:00pm) to Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000

Elections are subject to the Scheme becoming Effective, as well as the Minimum Scrip Threshold being satisfied,³³ the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Therefore, even if you make a valid Election to receive Scrip Consideration, there is no guarantee that you will receive any or all of it.

InvoCare will announce the results of the Election process to the ASX, including whether the Minimum Scrip Threshold has been met and,³⁴ if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on 26 October 2023.

Scheme Shareholders who make an Election to receive Scrip Consideration agree to become members of HoldCo and to be bound by the terms of the HoldCo Shareholders' Deed and the HoldCo Constitution, attached at Appendix E and Appendix F.

You should read this Scheme Booklet in full before making an Election to receive Scrip Consideration. You may also consider obtaining appropriate independent professional advice before making such an Election.

5.7 Further information

Please refer to the Notice of Scheme Meeting set out in Appendix A for further information on voting procedures and details of the Scheme Resolution to be voted on at the Scheme Meeting (including who is entitled to vote on the Scheme Resolution).

³³ See Section 9.4a regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

³⁴ See Section 9.4a regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



SECTION 6

**Transaction
overview**



6 Transaction overview

This Section 6 contains an overview of the Scheme, including background to the Scheme, what happens if the Scheme becomes Effective, the different types of Scheme Consideration available to InvoCare Shareholders and worked examples of how the different types of Scheme Consideration will be provided to InvoCare Shareholders.

6.1 Background

On 9 August 2023, InvoCare announced that it had entered into the Scheme Implementation Deed with BidCo under which it is proposed that BidCo will acquire 100% of InvoCare Shares on issue which are not already held by it or its related entities for \$12.70 per InvoCare Share, subject to InvoCare Shareholder and Court approval, and the satisfaction or waiver of a number of other Conditions Precedent. The Scheme Implementation Deed contains terms and conditions that are relatively standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and InvoCare's obligation to conduct its business in the ordinary course during the Scheme process.

The Scheme Implementation Deed sets out a framework for InvoCare to propose a scheme of arrangement between itself and InvoCare Shareholders under which BidCo will acquire all of the InvoCare Shares on issue as at the Scheme Record Date.

InvoCare jointly appointed Goldman Sachs and Gresham as its financial advisers and Clayton Utz as its legal adviser to help coordinate its discussions and negotiations with these parties with a view to maximising InvoCare Shareholder value.

Having carefully considered BidCo's proposal and the merits of the alternatives, the InvoCare Directors unanimously recommend, based on the quantum of Cash Consideration, that InvoCare Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the InvoCare Shareholders.³⁵ Subject to those same qualifications, each of the InvoCare Directors intend to vote all the InvoCare Shares they have a Relevant Interest in favour of the Scheme. In forming their unanimous recommendation, the InvoCare Directors have carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 3.

The key terms of the Scheme Implementation Deed are summarised in Section 7.1. A full copy of the Scheme Implementation Deed, as lodged with the ASX on 9 August 2023, may be obtained by calling the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +611800 774 615 (outside Australia) or from InvoCare's website: www.InvoCare.com.au/investor-relations/share-info.

6.2 What will happen under the Scheme?

If the Scheme is approved by InvoCare Shareholders and the Court (as discussed in Sections 5.2 and 7) and subject to the satisfaction or waiver (where capable of waiver) of the other Conditions Precedent in accordance with the terms of the Scheme Implementation Deed, all InvoCare Shareholders who hold InvoCare Shares as at the Scheme Record Date will participate in the Scheme, whether or not they voted for the Scheme (and even if they did not vote or voted against the Scheme).

If the Scheme becomes Effective:

- o BidCo will acquire all of the Scheme Shares;
- o the InvoCare Board may declare and pay a Special Dividend of up to \$0.60 per InvoCare Share before the Scheme is implemented;
- o at the close of trading on the Effective Date, InvoCare Shares will cease trading on the ASX;
- o on the Implementation Date:
 - o all Scheme Shares will be transferred to BidCo (without any need for action by Scheme Shareholders); and
 - o each Scheme Shareholder will receive the Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date; and
- o InvoCare will be removed from the official list of the ASX and will cease to be listed on the ASX by the close of trading on the trading day immediately following the Implementation Date.

The detailed terms of the Scheme are set out in the Scheme Implementation Deed and the attachments to it. In support of its obligations to provide or procure the provision of the Scheme Consideration under the Scheme Implementation Deed, BidCo and HoldCo have executed the Deed Poll in favour of InvoCare Shareholders, a copy of which is attached at Appendix D.

For the Scheme to proceed, the Scheme Resolution must be approved by the requisite majorities of InvoCare Shareholders and the Scheme must be approved by the Court. There are also other Conditions Precedent that need to be satisfied or waived if applicable before the Scheme proceeds. The key Conditions Precedent are outlined in Section 7.1a).

As noted above, if the Scheme is approved by the requisite majorities of InvoCare Shareholders and by the Court and all other Conditions Precedent are satisfied or waived (if applicable), then InvoCare will become a wholly owned subsidiary of BidCo and will be delisted from the ASX.

³⁵ You should note when considering this recommendation the interests of each InvoCare Director in securities in InvoCare, including InvoCare Equity Incentives, as set out in Sections 7.2 and 12.5.

If the Scheme is not approved, then the Scheme will not be implemented, and:

- o InvoCare Shareholders will continue to hold InvoCare Shares and will be exposed to general risks as well as risks specific to the InvoCare Group, including those set out in Sections 10.2 and 10.3;
- o InvoCare Shareholders will not receive the Scheme Consideration;
- o a Break Fee of \$18,300,000 (excluding any GST) may be payable by the InvoCare Group to BidCo in certain circumstances. The Break Fee will not be payable solely because InvoCare Shareholders fail to approve the Scheme at the Scheme Meeting. Further information on the Break Fee is set out in Section 7.1d);
- o a Reverse Break Fee of \$18,300,000 (excluding any GST) may be payable by BidCo to InvoCare in certain circumstances. Further information on the Reverse Break Fee is set out in Section 7.1e);
- o InvoCare will continue as a stand-alone entity listed on the ASX with management continuing to implement the business plan and financial and operating strategies it had in place prior to 9 August 2023, being the date of announcement of entry into the Scheme Implementation Deed to the ASX; and
- o the price of an InvoCare Share on the ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

6.3 What you will receive

If the Scheme becomes Effective and is implemented, Scheme Shareholders will receive the Scheme Consideration.

a) Cash Consideration

If the Scheme becomes Effective, each InvoCare Shareholder (other than those who make a valid Election to receive Scrip Consideration) will receive the Cash Consideration of \$12.70 for each InvoCare Share held by that InvoCare Shareholder as at the Scheme Record Date, less the amount of any Special Dividend (up to \$0.60 per InvoCare Share) that may be declared and paid by InvoCare in respect of each InvoCare Share held by that InvoCare Shareholder as at the Special Dividend Record Date.

The default form of consideration under the Scheme is the All Cash Consideration which provides InvoCare Shareholders who participate in both the Scheme and the Special Dividend with the opportunity to receive Cash Payments of up to \$12.70 per InvoCare Share for each of their InvoCare Shares. Under the Scheme, an InvoCare Shareholder will receive the Cash Consideration for all the InvoCare Shares held by that InvoCare Shareholder on the Scheme Record Date in the absence of a valid Election to receive Scrip Consideration. Ineligible Foreign Shareholders and persons who become InvoCare Shareholders after the Election Date will receive the All Cash Consideration.

The payment and amount of the Special Dividend is at the discretion of the InvoCare Board. The InvoCare Board currently intends to declare and pay a fully franked Special Dividend of \$0.60 per InvoCare Share prior to implementation of the Scheme, which if declared and paid, will result in franking credits of \$0.257 per InvoCare Share. Whether an InvoCare Shareholder will be able to capture the full benefit of the franking credits in respect of any Special Dividend declared and paid will depend on their individual circumstances.

It is important to note that if an InvoCare Shareholder sells their InvoCare Shares before the Scheme Record Date, they will not receive the Cash Consideration.

The Cash Consideration will be paid to relevant Scheme Shareholders on the Implementation Date.



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b) Scrip Consideration Options

As an alternative to the Cash Consideration, eligible InvoCare Shareholders may make an Election to receive Scrip Consideration

o **Mixed Consideration Option 1:**

Cash Consideration for each Scheme Share, in respect of 75% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 25% of the Scheme Shares held, subject to the qualifications below;

o **Mixed Consideration Option 2:**

Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 50% of the Scheme Shares held, subject to the qualifications below;

o **Mixed Consideration Option 3:**

Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares held, plus Scrip Consideration for each Scheme Share in respect of the remaining 75% of the Scheme Shares held, subject to the qualifications below;

o **All Scrip Consideration:**

Scrip Consideration in respect of 100% of the Scheme Shares held, subject to the qualifications below; or

o **Custom Consideration:**

Cash Consideration for such number of Scheme Shares, plus Scrip Consideration for such number of Scheme Shares as agreed with BidCo (in its absolute discretion) in writing.

Any Custom Consideration Election made will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that eligible InvoCare Shareholder's Election for Custom Consideration. If BidCo does not provide a written acceptance by the Election Date, or such an Election has been made by an Ineligible Foreign Shareholder, the InvoCare Shareholder will receive the Cash Consideration for each InvoCare Share held as at the Scheme Record Date. Any eligible InvoCare Shareholder that is considering making a Custom Consideration Election should complete and return the Election Form as soon as possible so that BidCo can consider it before the Election Date.

In each of the Scrip Consideration Options, the Scrip Consideration will be such number of Class B Shares as is equivalent to \$12.70 minus the amount of any Special Dividend that may be declared and paid per InvoCare Share held on the Special Dividend Record Date subject to the Minimum Scrip Threshold,³⁶ the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. See Section 6.4 for worked examples of the different Scrip Consideration Options that are available and how they interact with any Special Dividend that may be declared.

The notional value of the Class B Shares issued under a Scrip Consideration Option will be equal to the value of the Cash Consideration.

InvoCare Shareholders considering whether or not to make an Election to receive Scrip Consideration should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that HoldCo Share. The ultimate capital structure of HoldCo depends on a number of factors, including the number of valid Elections received. Please refer to Section 9.4b) for some illustrative examples of the potential capital structure of HoldCo after the Implementation Date.

InvoCare Shareholders who make a valid Election to receive Scrip Consideration (and receive Class B Shares) will become parties to the HoldCo Shareholders' Deed and be subject to the HoldCo Constitution. Under the terms of the HoldCo Shareholders' Deed, HoldCo shareholders will have different rights and obligations to those currently applicable to their InvoCare Shares. Please refer to Section 9.4c) for a summary of the rights and obligations attaching to Class B Shares and Section 10.4 for further information on some of the risks associated with receiving the Scrip Consideration.

The Independent Expert has identified a number of factors that InvoCare Shareholders should consider before making any Election for Scrip Consideration. Please refer to Appendix B for a copy of the Independent Expert's Report.

The InvoCare Board makes no recommendation in relation to the Scrip Consideration Options, except to note that eligible InvoCare Shareholders who are considering making an Election to receive Scrip Consideration should:

- o carefully consider the rights and obligations attaching to the Class B Shares, a summary of which is as set out in Section 9.4c);
- o carefully consider the information set out in Section 10.4 relating to some of the risks of Class B Shares;
- o refer to the Independent Expert's Report and the views expressed therein in relation to the Scrip Consideration Options;
- o consider the potential taxation implications under Australian income tax law and foreign tax laws in connection with the Scrip Consideration (see the Section 11 for Australian tax implications); and
- o obtain appropriate legal, financial, tax or other professional advice about whether an investment in Class B Shares is appropriate to their specific circumstances before deciding whether to make an Election for Scrip Consideration.

³⁶ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

Ultimately, the InvoCare Board considers that it is a matter for each eligible InvoCare Shareholder to decide whether or not to make an Election to receive Scrip Consideration, having regard to their individual circumstances, financial situation, tax profile, investment objectives and risk profile. InvoCare Shareholders who elect to receive a Scrip Consideration Option will also receive any Special Dividend that may be declared and paid by InvoCare in respect of each InvoCare Share they hold as at the Special Dividend Record Date.

There is no assurance that the future value of the Class B Shares will be equal to or higher than the value of the Cash Consideration.

It is important to note that if an InvoCare Shareholder sells their InvoCare Shares before the Scheme Record Date, they will not receive the Scrip Consideration.

The Scrip Consideration will be issued on the Implementation Date, subject to the Minimum Scrip Threshold,³⁷ the Maximum Scrip Threshold and the Scaleback Mechanism. Within five Business Days after the Implementation Date, HoldCo will send (or procure the sending of) a certificate or other holding statement to each Scheme Shareholder and/or the Nominee (if applicable) who received Scrip Consideration under the Scheme, reflecting the issue of such Scrip Consideration.

c) Minimum Scrip Threshold

The Scrip Consideration Options will only be available to Scheme Shareholders if the Minimum Scrip Threshold is satisfied. That is, if Elections made would result in Scheme Shareholders holding, in aggregate, at least 5%, or such lesser percentage as notified by BidCo to InvoCare in writing at least three Business Days prior to the date of the Scheme Meeting, of the total issued capital of HoldCo as at the Implementation Date.

In the event that the Minimum Scrip Threshold is not satisfied, all Scheme Shareholders will receive the Cash Consideration.³⁸

d) Scaleback Mechanism

The Scrip Consideration Options are also subject to a pro rata Scaleback Mechanism that may apply depending on the number of valid Elections made by eligible InvoCare Shareholders to receive Scrip Consideration.

The Scaleback Mechanism will apply if valid Elections made by eligible InvoCare Shareholders would result in InvoCare Shareholders holding, in aggregate, more than 20% of the total issued capital of HoldCo as at the Implementation Date, being the Maximum Scrip Threshold. In these circumstances, the Scaleback Mechanism will apply to ensure that the total number of Class B Shares issued under the Scheme does not exceed the Maximum Scrip Threshold as outlined below.



* 5% or such lesser percentage as notified by BidCo to InvoCare in writing at least three Business Days prior to the date of the Scheme Meeting. See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

Where the Scaleback Mechanism applies, each Scheme Shareholder who makes a valid Election will receive the number of Class B Shares as reduced by the pro rata scale back (with any fractions rounded up or down to the nearest whole number of Class B Shares) and will receive the Cash Consideration for each InvoCare Share in respect of which Scrip Consideration is not issued.

³⁷ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

³⁸ InvoCare Shareholders should refer to Section 7.2d), which sets out the minimum Elections for Scrip Consideration to be made by Rolling InvoCare Executives. As set out in Section 9.4a), if the aggregate valid Elections of InvoCare Shareholders will represent less than 5% of the issued capital of HoldCo as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.



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e) Fractional entitlements and rounding

Any entitlement of an eligible InvoCare Shareholder under the Scheme to be provided with a fraction of a Class B Share will be:

- o rounded up to the nearest whole number if the entitlement is to half a Class B Share or more; and
- o rounded down to the nearest whole number if the entitlement is to less than half a Class B Share.

Any entitlement of an InvoCare Shareholder under the Scheme to be provided with a fraction of a cent will be:

- o rounded up to the nearest whole cent if the entitlement is to half a cent or more; and
- o rounded down to the nearest whole cent if the entitlement is to less than half a cent.

f) HoldCo Shareholders' Deed

Eligible InvoCare Shareholders who validly elect to receive Scrip Consideration and, as a result, receive Class B Shares will become parties to the HoldCo Shareholders' Deed. A summary of the rights and obligations attaching to the Class B Shares is set out in Section 9.4c). A copy of the HoldCo Shareholders' Deed is also attached at Appendix E.

g) How to make an Election to receive Scrip Consideration

Eligible InvoCare Shareholders can (subject to the conditions outlined above) make an Election to receive Scrip Consideration by completing and returning an Election Form. Alternatively you are able to make an Election online at www.events.miracle.com/ivc-scheme/scheme. An Election will only be valid if it is made using an Election Form and is received by the InvoCare Registry by no later than the Election Date (currently expected to be 7:00pm on 24 October 2023). Any Election for Custom Consideration will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that Election.

An Election Form will be sent to InvoCare Shareholders with this Scheme Booklet. If required, InvoCare Shareholders may contact the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia) on Business Days at any time between 8:30am and 5:00pm on Monday to Friday and request a new Election Form be sent to them.

An eligible InvoCare Shareholder who makes an Election may subsequently vary or withdraw it by lodging a replacement Election Form so that it is received by the InvoCare Registry by no later than the Election Date (currently expected to be 24 October 2023 at 7:00pm). The last valid Election Form received by the InvoCare Registry before the Election Date will be used to determine the Election made by an eligible InvoCare Shareholder and will apply to the InvoCare Shares held by that eligible InvoCare Shareholder on the Scheme Record Date.

InvoCare Shareholders who do not make a valid Election, who submit an Election Form to the InvoCare Registry after the Election Date (currently expected to be 7:00pm on 24 October 2023) or who make an Election for Custom Consideration but BidCo (in its absolute discretion) has not accepted that Election in writing before the Election Date, will receive the Cash Consideration for all of their InvoCare Shares held on the Scheme Record Date.

InvoCare Shareholders who are Ineligible Foreign Shareholders or who become an InvoCare Shareholder after the Election Date, will also receive the Cash Consideration for all of their InvoCare Shares held on the Scheme Record Date.

Election Forms, duly completed in accordance with the instructions set out in the Election Form, must be returned to the InvoCare Registry in the manner described in Section 5.6.

InvoCare will announce the results of the Election process to the ASX, including whether the Minimum Scrip Threshold has been met and,³⁹ if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on 26 October 2023.

³⁹ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

h) Ineligible Foreign Shareholders

An InvoCare Shareholder whose Registered Address is shown on the InvoCare Registry on the Scheme Record Date as a place outside Australia and its external territories will be an Ineligible Foreign Shareholder.

If you are an InvoCare Shareholder whose Registered Address as shown in the InvoCare Registry in a place outside Australia or its external territories and you wish to receive Scrip Consideration you should contact the InvoCare Shareholder Information Line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia) to enquire as to whether you may be an eligible InvoCare Shareholder.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive the Scrip Consideration. If you make an Election to receive Scrip Consideration and you are an Ineligible Foreign Shareholder, your Election will be invalid and have no effect, and you will receive the Cash Consideration for all of your InvoCare Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the Cash Consideration in respect of all of their InvoCare Shares held on the Scheme Record Date if the Scheme becomes Effective.

Ineligible Foreign Shareholders will be entitled to receive any Special Dividend that the InvoCare Board decides to declare and pay in respect of each InvoCare Share they hold as at the Special Dividend Record Date. If the InvoCare Board decides to declare and pay a fully franked Special Dividend of up to \$0.60 per InvoCare Share,⁴⁰ it remains at the discretion of the InvoCare Board whether the Special Dividend is ultimately declared and paid. Whether InvoCare Shareholders will be able to realise the full benefit of the franking credits will depend on their individual tax status and specific circumstances. InvoCare Shareholders should seek professional taxation advice in this regard.⁴¹

i) If the InvoCare Board decides to declare and pay the Special Dividend

If the InvoCare Board decides to declare and pay the Special Dividend, it will be a fully franked cash dividend of up to \$0.60 per InvoCare Share and will be conditional on the Scheme becoming Effective.

The Special Dividend does not represent an additional payment over and above the Scheme Consideration. If the InvoCare Board decides to declare and pay a Special Dividend, the Scheme Consideration provided to InvoCare Shareholders on the Implementation Date will be reduced by the cash amount of any Special Dividend.

If a person becomes an InvoCare Shareholder after the Special Dividend Record Date, they will not receive the Special Dividend.

⁴⁰ The quantum of the Special Dividend is also subject to the availability of franking credits.

⁴¹ When assessing the benefit of franking credits attached to any Special Dividend, InvoCare Shareholders should seek independent professional taxation advice as to whether or not receipt of the Special Dividend and any associated entitlement to a tax offset in respect of such franking credits will be of benefit to them based on their own individual circumstances. For further information refer to Section 11.



6 Transaction overview

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6.4 Worked examples

a) Cash Consideration – outcomes under different scenarios

The tables below illustrate the potential outcomes for those InvoCare Shareholders who do not make a valid Election under different scenarios, assuming the Scheme is approved and implemented.

Scenario	What you receive ⁴²	Total ⁴³
No Special Dividend is declared	\$12.70 cash for each InvoCare Share you hold at the Scheme Record Date (paid by BidCo)	\$12.70 Cash Consideration for each InvoCare Share
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	\$0.60 cash for each InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)	\$0.60 Special Dividend
	<i>plus</i>	+
	\$12.10 cash for each InvoCare Share you hold at the Scheme Record Date (paid by BidCo)	\$12.10 Cash Consideration =
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	\$0.30 cash for each InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)	\$0.30 Special Dividend
	<i>plus</i>	+
	\$12.40 cash for each InvoCare Share you hold at the Scheme Record Date (paid by BidCo)	\$12.40 Cash Consideration =
		\$12.70 cash for each InvoCare Share

Additionally, the below table provides an illustration of the potential outcomes for an InvoCare Shareholder holding 100 InvoCare Shares, who does not make a valid Election under different scenarios, assuming the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	Total consideration received ⁴⁴	
No Special Dividend is declared	Total Cash Consideration	\$1,270.00
	Total Special Dividend	\$0
	Total cash payments	\$1,270.00
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	Total Cash Consideration	\$1,210.00
	Total Special Dividend	\$60.00
	Total cash payments	\$1,270.00
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	Total Cash Consideration	\$1,240.00
	Total Special Dividend	\$30.00
	Total cash payments	\$1,270.00

⁴² Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

⁴³ Ignoring the potential further value of any franking credit benefits.

⁴⁴ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration. This also ignores the potential further value of any franking credit benefits.

b) Mixed Consideration Option 1 - outcomes under different scenarios

The tables below illustrate the potential outcomes for those InvoCare Shareholders who make a valid Election to receive the Mixed Consideration Option 1, assuming the Minimum Scrip Threshold is satisfied,⁴⁵ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	What you receive ⁴⁶	Total ⁴⁷
No Special Dividend is declared	<p>\$12.70 cash for 75% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.70, with each Class B Share issued at a notional issue price of \$1.00, for 25% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>\$12.70 Cash Consideration for each InvoCare Share (for 75% of your holding)</p> <p>Class B Shares with a total notional value of \$12.70 = \$12.70 for each InvoCare Share (for 25% of your holding)</p>
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	<p>\$0.60 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.10 cash for 75% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.10, with each Class B Share issued at a notional issue price of \$1.00, for 25% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.60 cash + \$12.10 Cash Consideration = \$12.70 cash for each InvoCare Share (for 75% of your holding)</p> <p>Special Dividend of \$0.60 cash + Class B Shares with a total notional value of \$12.10 = \$12.70 for each InvoCare Share (for 25% of your holding)</p>
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	<p>\$0.30 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.40 cash for 75% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.40, with each Class B Share issued at a notional issue price of \$1.00, for 25% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.30 cash + \$12.40 Cash Consideration = \$12.70 cash for each InvoCare Share (for 75% of your holding)</p> <p>Special Dividend of \$0.30 cash + Class B Shares with a total notional value of \$12.40 = \$12.70 for each InvoCare Share (for 25% of your holding)</p>

⁴⁵ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁴⁶ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

⁴⁷ Ignoring the potential further value of any franking credit benefits.



6 Transaction overview

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Additionally, the below table provides an illustration of the potential outcomes for an InvoCare Shareholder holding 100 InvoCare Shares, who makes a valid Election to receive the Mixed Consideration Option 1, assuming the Minimum Scrip Threshold is satisfied,⁴⁸ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	Total consideration received⁴⁹	
No Special Dividend is declared	Total Cash Consideration	\$952.50
	Total Special Dividend	\$0.00
	Total cash payments	\$952.50
	Total Class B Shares	318 Class B Shares
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	Total Cash Consideration	\$907.50
	Total Special Dividend	\$60.00
	Total cash payments	\$967.50
	Total Class B Shares	303 Class B Shares
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	Total Cash Consideration	\$930.00
	Total Special Dividend	\$30.00
	Total cash payments	\$960.00
	Total Class B Shares	310 Class B Shares

You should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that HoldCo Share.

⁴⁸ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁴⁹ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration. This also ignores the potential further value of any franking credit benefits.

c) Mixed Consideration Option 2 - outcomes under different scenarios

The tables below illustrate the potential outcomes for those InvoCare Shareholders who make a valid Election to receive the Mixed Consideration Option 2, assuming the Minimum Scrip Threshold is satisfied,⁵⁰ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100

InvoCare Shares	What you receive ⁵¹	Total ⁵²
No Special Dividend is declared	<p>\$12.70 cash for 50% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.70, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>\$12.70 Cash Consideration for each InvoCare Share (for 50% of your holding)</p> <p>Class B Shares with a total notional value of \$12.70 = \$12.70 for each InvoCare Share (for 50% of your holding)</p>
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	<p>\$0.60 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.10 cash for 50% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.10, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.60 cash + \$12.10 Cash Consideration = \$12.70 cash for each InvoCare Share (for 50% of your holding)</p> <p>Special Dividend of \$0.60 cash + Class B Shares with a total notional value of \$12.10 = \$12.70 for each InvoCare Share (for 50% of your holding)</p>
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	<p>\$0.30 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.40 cash for 50% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.70, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.30 cash + \$12.40 Cash Consideration = \$12.70 cash for each InvoCare Share (for 50% of your holding)</p> <p>Special Dividend of \$0.30 cash + Class B Shares with a total notional value of \$12.40 = \$12.70 for each InvoCare Share (for 50% of your holding)</p>

⁵⁰ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁵¹ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

⁵² Ignoring the potential further value of any franking credit benefits.



6 Transaction overview

continued

Additionally, the below table provides an illustration of the potential outcomes for an InvoCare Shareholder holding 100 InvoCare Shares, who makes a valid Election to receive the Mixed Consideration Option 2, assuming the Minimum Scrip Threshold is satisfied,⁵³ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares

	Total consideration received⁵⁴	
No Special Dividend is declared	Total Cash Consideration	\$635.00
	Total Special Dividend	\$0
	Total cash payments	\$635.00
	Total Class B Shares	635 Class B Shares
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	Total Cash Consideration	\$605.00
	Total Special Dividend	\$60.00
	Total cash payments	\$665.00
	Total Class B Shares	605 Class B Shares
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	Total Cash Consideration	\$620.00
	Total Special Dividend	\$30.00
	Total cash payments	\$650.00
	Total Class B Shares	620 Class B Shares

You should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that HoldCo Share.

⁵³ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁵⁴ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration. This also ignores the potential further value of any franking credit benefits.

d) Mixed Consideration Option 3 - outcomes under different scenarios

The tables below illustrate the potential outcomes for those InvoCare Shareholders who make a valid Election to receive the Mixed Consideration Option 3, assuming the Minimum Scrip Threshold is satisfied,⁵⁵ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	What you receive ⁵⁶	Total ⁵⁷
No Special Dividend is declared	<p>\$12.70 cash for 25% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.70, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>\$12.70 Cash Consideration for each InvoCare Share (for 25% of your holding)</p> <p>Class B Shares with a total notional value of \$12.70 = \$12.70 for each InvoCare Share (for 75% of your holding)</p>
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	<p>\$0.60 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.10 cash for 25% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.10, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.60 cash + \$12.10 Cash Consideration = \$12.70 cash for each InvoCare Share (for 25% of your holding)</p> <p>Special Dividend of \$0.60 cash + Class B Shares with a total notional value of \$12.10 = \$12.70 for each InvoCare Share (for 75% of your holding)</p>
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	<p>\$0.30 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare)</p> <p><i>plus</i></p> <p>\$12.40 cash for 25% of the InvoCare Shares you hold at the Scheme Record Date (paid by BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$12.40, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.30 cash + \$12.40 Cash Consideration = \$12.70 cash for each InvoCare Share (for 25% of your holding)</p> <p>Special Dividend of \$0.30 cash + Class B Shares with a total notional value of \$12.40 = \$12.70 for each InvoCare Share (for 75% of your holding)</p>

⁵⁵ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁵⁶ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

⁵⁷ Ignoring the potential further value of any franking credit benefits.



6 Transaction overview

continued

Additionally, the below table provides an illustration of the potential outcomes for an InvoCare Shareholder holding 100 InvoCare Shares, who makes a valid Election to receive the Mixed Consideration Option 3, assuming the Minimum Scrip Threshold is satisfied,⁵⁸ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	Total consideration received ⁵⁹	
No Special Dividend is declared	Total Cash Consideration	\$317.50
	Total Special Dividend	\$0
	Total cash payments	\$317.50
	Total Class B Shares	953 Class B Shares
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	Total Cash Consideration	\$302.50
	Total Special Dividend	\$60.00
	Total Cash Payments	\$362.50
	Total Class B Shares	908 Class B Shares
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	Total Cash Consideration	\$310.00
	Total Special Dividend	\$30.00
	Total cash payments	\$340.00
	Total Class B Shares	930 Class B Shares

You should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that HoldCo Share.

⁵⁸ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁵⁹ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration. This also ignores the potential further value of any franking credit benefits.

e) All Scrip Consideration - outcomes under different scenarios

The tables below illustrate the potential outcomes for those InvoCare Shareholders who make a valid Election to receive the All Scrip Consideration, assuming the Minimum Scrip Threshold is satisfied,⁶⁰ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario	What you receive ⁶¹	Total ⁶²
No Special Dividend is declared	Class B Shares with a total notional value of \$12.70, with each Class B Share issued at a notional issue price of \$1.00, for 100% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)	Class B Shares with a total notional value of \$12.70 = \$12.70 for each InvoCare Share (for 100% of your holding)
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	\$0.60 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare) <i>plus</i> Class B Shares with a total notional value of \$12.10, with each Class B Share issued at a notional issue price of \$1.00, for 100% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)	Special Dividend of \$0.60 cash + Class B Shares with a total notional value of \$12.10 = \$12.70 for each InvoCare Share (for 100% of your holding)
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	\$0.30 cash per InvoCare Share you hold at the Special Dividend Record Date (paid by InvoCare) <i>plus</i> Class B Shares with a total notional value of \$12.40, with each Class B Share issued at a notional issue price of \$1.00, for 100% of the InvoCare Shares you hold at the Scheme Record Date (issued by HoldCo)	Special Dividend of \$0.30 cash + Class B Shares with a total notional value of \$12.40 = \$12.70 for each InvoCare Share (for 100% of your holding)

⁶⁰ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁶¹ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration.

⁶² Ignoring the potential further value of any franking credit benefits.



6 Transaction overview

continued

Additionally, the below table provides an illustration of the potential outcomes for an InvoCare Shareholder holding 100 InvoCare Shares, who makes a valid Election to receive the All Scrip Consideration, assuming the Minimum Scrip Threshold is satisfied,⁶³ the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario for an InvoCare Shareholder holding 100 InvoCare Shares	Total consideration received⁶⁴	
No Special Dividend is declared	Total Cash Consideration	\$0
	Total Special Dividend	\$0
	Total cash payments	\$0
	Total Class B Shares	1,270 Class B Shares
A Special Dividend of \$0.60 per InvoCare Share is declared and paid	Total Cash Consideration	\$0
	Total Special Dividend	\$60.00
	Total cash payments	\$60.00
	Total Class B Shares	1,210 Class B Shares
A Special Dividend of \$0.30 per InvoCare Share is declared and paid	Total Cash Consideration	\$0
	Total Special Dividend	\$30.00
	Total cash payments	\$30.00
	Total Class B Shares	1,240 Class B Shares

You should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that HoldCo Share.

⁶³ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

⁶⁴ Please note, if you become an InvoCare Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your InvoCare Shares before the Scheme Record Date, you will not receive the Scheme Consideration. This also ignores the potential further value of any franking credit benefits.



SECTION 7

Implementation of the Scheme



7 Implementation of the Scheme

This Section 7 outlines the key terms of the Scheme Implementation Deed, provides an overview of the InvoCare Incentives on issue and explains how they will be treated under the Scheme, and outlines the key steps to implement the Scheme.

7.1 Key Terms of the Scheme Implementation Deed

a) Conditions Precedent

Implementation of the Scheme is subject to the following outstanding Conditions Precedent:

FIRB Approval

Before 8:00 am on the Second Court Date, any of the following occur:

- o BidCo has received a written notice on or after the date of the Scheme Implementation Deed (9 August 2023) under FATA from the Treasurer (or the Treasurer's delegate) stating, or to the effect, that the Commonwealth Government does not object to certain co-investment vehicles (and/or the limited partners thereof) and other entities affiliated with BidCo (each an **Interested Person**) acquiring an interest in InvoCare pursuant to the Scheme on the acquisition of the InvoCare Shares contemplated by the Scheme;
- o following BidCo notifying the Treasurer in writing of each Interested Person and the interest that person will acquire pursuant to the Scheme, the Treasurer becomes precluded by the passage of time from making any order or decision under Division 2 of Part 3 of FATA in respect of the acquisition of the InvoCare Shares contemplated by the Scheme; or
- o where an interim order is made under section 68 of the FATA in respect of each Interested Person acquiring an interest in InvoCare pursuant to the Scheme on the acquisition of the InvoCare Shares contemplated by the Scheme, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision, (**FIRB Approval**).

OIO Approval

Before 8:00am on the Second Court Date, BidCo has received all consents required under the *Overseas Investment Act 2005* (NZ) and the *Overseas Investment Regulations 2005* (NZ) for, including in connection with any Interested Person acquiring an interest in InvoCare pursuant to the Scheme on, the implementation of the Scheme and such consents have not been withdrawn, suspended or revoked before 8:00am on the Second Court Date (**OIO Approval**).

ASIC and ASX

Before 8:00am on the Second Court Date, ASIC and the ASX issue or provide all consents, waivers, relief or approvals as are necessary or which InvoCare and BidCo agree (each acting reasonably) are desirable to implement the Scheme and such consents, approvals, waivers, relief or approvals have not been withdrawn, cancelled, revoked or adversely amended.

No restraint

No law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency, which restrains, prohibits or impedes (or could reasonably be expected to restrain, prohibit or impede) implementation of the Scheme is in effect at 8:00am on the Second Court Date.

Shareholder approval

InvoCare Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

Independent Expert

The Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of InvoCare Shareholders and does not formally change its conclusion or withdraw its Independent Expert's Report before 8:00am on the Second Court Date.

Court approval

The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.

No Prescribed Occurrences

No Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed (9 August 2023) and 8:00am on the Second Court Date.

Material Adverse Change

No Material Adverse Change occurs between the date of the Scheme Implementation Deed (9 August 2023) and 8:00am on the Second Court Date.

The absence of the occurrence of a Material Adverse Change is a Condition Precedent for BidCo's benefit.

The definition of Material Adverse Change contains quantitative monetary thresholds, however is referable to what the consolidated net assets (excluding FUM and pre-paid liabilities) or EBITDA over a 12 month period of the InvoCare Group could "reasonably have expected to have been but for the relevant event, change, condition, circumstance, thing, occurrence or matter". The definition of Material Adverse Change therefore does not provide for a specific testing time against which the quantitative thresholds in the definition can be measured against. Accordingly, it is possible that the parties could end up in dispute over the existence of an alleged Material Adverse Change or its consequence under the Scheme Implementation Deed. This could result in the Scheme not proceeding, the Scheme otherwise being terminated, or a transaction being proposed on different terms in accordance with clause 3.4 of the Scheme Implementation Deed.

InvoCare incentives

InvoCare and holders of InvoCare incentives have taken all necessary steps by 8:00am on the Second Court Date, including by executing all necessary documents, to ensure that the InvoCare incentives are dealt with in accordance with clause 6.7 of the Scheme Implementation Deed and otherwise on terms acceptable to BidCo.

As far as the InvoCare Board is aware, as at the Last Practicable Date, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8:00am on the Second Court Date. In the event of any material change in status, InvoCare will inform InvoCare Shareholders of the status of the Conditions Precedent through an announcement to the ASX. Details regarding the Conditions Precedent are set out in full in clause 3 of the Scheme Implementation Deed.

b) InvoCare Board's recommendation

The Scheme Implementation Deed requires InvoCare to procure that the InvoCare Board collectively, and the InvoCare Directors individually, do not adversely change, withdraw, adversely modify or adversely qualify (including by making any public statement supporting, endorsing or recommending a Competing Proposal and/or to the effect that she or he no longer supports the Scheme), its or their Recommendation unless:

- o the Independent Expert concludes in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) that the Scheme is not in the best interests of InvoCare Shareholders;
- o InvoCare has received a Competing Proposal and the InvoCare Board has determined (after compliance with the matching right procedure in clause 12.6 of the Scheme Implementation Deed) that the Competing Proposal constitutes a Superior Proposal; or
- o required to do so by, or in order to comply with an order or other requirement of a court of competent jurisdiction, ASIC or the Takeovers Panel.

c) Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of BidCo. These arrangements are in line with market practice in this regard and are summarised as follows:

No shop

During the Exclusivity Period, InvoCare must not and must ensure that none of its Related Persons directly or indirectly solicit, invite, encourage or initiate (including by the provision of non-public Information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which could reasonably be expected to encourage or lead to the making of, or with a view to

obtaining, a Competing Proposal or communicate to any Third Party an intention to do anything of those things.

No talk

Subject to the Fiduciary Exception, during the Exclusivity Period, InvoCare must not, and must ensure that each of its Related Persons does not, directly or indirectly:

- o facilitate, participate in or continue any negotiations or discussions with any person with respect to any inquiry, expression of interest, offer, proposal, discussion, negotiation or other communication by any person in relation to, or which could reasonably be expected to encourage or lead to the making of, any Competing Proposal;
- o negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding any Competing Proposal; or
- o communicate to any person an intention to do anything of those things.

No due diligence

Subject to the Fiduciary Exception, during the Exclusivity Period, InvoCare must not and must ensure that each of its Related Persons does not, directly or indirectly, disclose or otherwise provide or make available any non-public Information to a Third Party in connection with, with a view to obtaining or which could reasonably be expected to encourage or lead to the formulation, development, finalisation, receipt or announcement of any Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the InvoCare Group), whether by that Third Party or another person or communicate to any person an intention to do any of those things.

Notification

During the Exclusivity Period, InvoCare must as soon as reasonably practicable (and in any event within 24 hours) notify BidCo in writing if it, or any of its Related Persons, becomes aware of:

- o any negotiations, discussions or other communications, or any other contact, with InvoCare or any of its Related Persons that relates to an actual or potential Competing Proposal, or that may reasonably be expected to lead to a Competing Proposal;
- o any approach or proposal made to, or received by, InvoCare or any of its Related Persons in connection with an actual or potential Competing Proposal, or that may reasonably be expected to lead to a Competing Proposal;
- o any request made by a Third Party to InvoCare or any of its Related Persons for any non-public Information (other than where the InvoCare Board reasonably believes that such request is in the ordinary course of business and is not in connection with such Third Party formulating, developing or finalising a Competing Proposal); or



7 Implementation of the Scheme

continued

- o provision by InvoCare or any of its Related Persons of any non-public Information to any Third Party in connection with an actual or potential Competing Proposal, or that may reasonably be expected to lead to a Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

Such a notification must include all material details of the Competing Proposal (including the price and form of consideration, proposed timing, any conditions precedent and the identity of any Third Party that made, and/or any Third Party involved in, the Competing Proposal) to the extent known by InvoCare and its Related Persons.

InvoCare is only required to notify BidCo of a Competing Proposal after the InvoCare Board has determined after taking in consideration the Fiduciary Exception, whether the 'no talk' and 'no due diligence' provisions in the Scheme Implementation Deed apply with respect to that Competing Proposal.

Matching right

During the Exclusivity Period, InvoCare is prohibited from entering into an agreement to give effect to any actual, proposed or potential Competing Proposal and must procure that no InvoCare Director withdraws or adversely changes, adversely modifies or adversely qualifies their Recommendation, publicly recommends any actual, proposed or potential Competing Proposal or otherwise publicly supports or endorses any actual, proposed or potential Competing Proposal, unless:

- o the InvoCare Board determines, in good faith and subject to certain advice from external advisers, that the Competing Proposal is, or would be reasonably likely to be, a Superior Proposal;
- o InvoCare has given BidCo notice of the material terms and conditions of the Competing Proposal and at least five Business Days to provide a matching or superior proposal (**Bidder Counterproposal**); and
- o BidCo does not provide a Bidder Counterproposal within the five Business Days that the InvoCare Board, acting reasonably and in good faith, determines would provide an equivalent or superior outcome to InvoCare Shareholders (as a whole) compared with the Competing Proposal.

However, InvoCare is not required to comply with its obligations under the 'no talk' and 'no due diligence' provisions in the Scheme Implementation Deed to the extent they restrict InvoCare or any of its Related Persons from taking or omitting to take any action with respect to a bona fide actual Competing Proposal that is not solicited, invited, encouraged or initiated in contravention of its 'no shop' obligations, if the InvoCare Board has determined:

- o after consultation with its financial advisers, that the Competing Proposal would reasonably be expected to lead to a Superior Proposal; and

- o after receiving advice from its financial and legal advisers, that complying with the 'no talk' or 'no due diligence' provisions would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of any member of the InvoCare Board,

(Fiduciary Exception).

These exclusivity provisions are set out in full in clause 12 of the Scheme Implementation Deed.

d) Break Fee

InvoCare has agreed to pay BidCo the Break Fee (which is approximately 1% of the equity value of InvoCare) if:

Change in recommendation

during the Exclusivity Period, any InvoCare Director:

- o fails to give the Recommendation that InvoCare Shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude in the Independent Expert's Report that the Scheme is in the best interests of InvoCare Shareholders;
- o withdraws, changes, adversely modifies or adversely qualifies their Recommendation or otherwise makes a public statement indicating that they no longer support the Scheme;
- o fails to vote, or procure the voting of any InvoCare Shares in which they have a Relevant Interest at the time of the Scheme Meeting in favour of the Scheme; or
- o recommends, supports or endorses a Competing Proposal,

in each case provided that BidCo has terminated the Scheme Implementation Deed, and other than in circumstances where:

- o the Independent Expert concludes the Scheme is not in the best interests of InvoCare Shareholders (except where that conclusion is a result of the existence, announcement or publication of a Competing Proposal (including, a Superior Proposal));
- o a court of competent jurisdiction, ASIC or the Takeovers Panel requires that one or more InvoCare Directors abstain or withdraw from making a recommendation that InvoCare Shareholders vote in favour of the Scheme; or
- o InvoCare is entitled to terminate the Scheme Implementation Deed in accordance with clause 15.1(a) (*Termination for material breach*) or 15.2(b) (*Termination for breach of representations and warranties*) of the Scheme Implementation Deed and has given the appropriate termination notice to BidCo;

Competing Proposal

At any time before the End Date (or, if earlier, the date the Scheme Implementation Deed is terminated under clause 15 of the Scheme Implementation Deed) a Competing Proposal is announced and within 12 months of such announcement a Third Party (either alone or together with any Associate):

- o completes a Competing Proposal of the kind referred to in paragraphs (b), (c) or (d) of the definition of Competing Proposal; or
- o has a Relevant Interest in, or becomes the holder of, or otherwise acquires, directly or indirectly, 50% or more of InvoCare Shares and that acquisition is unconditional; or

Material breach

BidCo terminates the Scheme Implementation Deed in accordance with clause 15.1(a)(i) (*Termination for material breach*) or 15.2(a) (*Termination for breach of representations and warranties*), including of InvoCare's representations and warranties, and the Transaction does not complete.

The InvoCare Directors consider that the Break Fee represents a genuine and reasonable pre-estimate of the costs that would be incurred by BidCo in pursuing the Scheme, and believe that it is appropriate in the circumstances for InvoCare to agree to the Break Fee in order to secure participation of BidCo in the Transaction. For full details of the Break Fee, see clause 13 of the Scheme Implementation Deed.

e) Reverse Break Fee

BidCo has agreed to pay InvoCare the Reverse Break Fee (which is approximately 1% of the equity value of InvoCare) if:

Material breach

InvoCare **terminates** the Scheme Implementation Deed in accordance with clause 15.1(a)(i) (*Termination for material breach*) or 15.2(b) (*Termination for breach of representations and warranties*) following a material breach by BidCo and the Transaction does not complete; or

Failure to pay the Scheme Consideration

The Scheme becomes Effective but BidCo does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, the Scheme and the Deed Poll.

f) Representation and warranties

The Scheme Implementation Deed contains customary representations and warranties given by each of InvoCare and BidCo to each other.

These representations and warranties are set out in Schedule 1 (in the case of InvoCare) and Schedule 2 (in the case of BidCo) of the Scheme Implementation Deed.

g) Termination

Either InvoCare or BidCo may terminate the Scheme Implementation Deed before 8:00am on the Second Court Date if:

Material breach

The other party has materially breached a provision of the Scheme Implementation Deed (other than in respect of a breach of InvoCare's or BidCo's representations and warranties (as applicable)) provided that:

- o the party entitled to terminate has given written notice to the party in breach of the Scheme Implementation Deed setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed; and
- o the other party in breach has failed to remedy the breach within five Business Days (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date) after the date on which the notice is given;

Failure of Conditions Precedent

In relation to a Condition Precedent:

- o a consultation notice has been served on the other party due to a breach or non-satisfaction of a Condition Precedent or a Condition Precedent becomes incapable of satisfaction, and in either case the breach or non-fulfilment has not been waived by the time or date specified in the Scheme Implementation Deed for the satisfaction of that Condition Precedent or the Scheme has not become Effective by the End Date as a result of the non-satisfaction of a Condition Precedent;
- o after consultation with the other party, the parties are unable to agree the terms on which the relevant Condition Precedent may be waived, whether the Scheme may proceed by alternative means, to extend the time for satisfaction of the Condition Precedent or to change the date of the application to be made to the Court for orders to approve the Scheme, or to extend the End Date; and
- o within five Business Days after the delivery of the consultation notice (or any shorter period ending at 5:00pm on the day before the Second Court Date), then, unless the relevant Condition Precedent has been waived or the party/each party entitled to waive the Condition Precedent confirms to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied, or would mean the relevant Condition Precedent would or will not otherwise be satisfied, either InvoCare or BidCo may terminate the Scheme Implementation Deed,

provided that failure to satisfy the relevant Condition Precedent is not due to a breach by the terminating party of the Scheme Implementation Deed or the relevant Condition Precedent is stated to be for the sole benefit of the other party;



7 Implementation of the Scheme

continued

Scheme not approved

If InvoCare Shareholders do not approve the Scheme at the Scheme Meeting by the requisite majorities; or

End Date

If the Scheme is not Effective by the End Date.

In addition, BidCo may also terminate the Scheme Implementation Deed before 8:00am on the Second Court Date by written notice to InvoCare:

- o if any of the InvoCare Directors:
 - o fails to recommend the Scheme in the manner described in Clause 8.1(a) of the Scheme Implementation Deed;
 - o withdraw, adversely change, adversely modify or adversely qualify their Recommendation; or
 - o make a public statement:
 - to the effect that they no longer support the Scheme; or
 - indicating that they no longer recommend the Transaction or recommend that InvoCare Shareholders accept or vote in favour of a Competing Proposal (but excluding a statement to the effect that no action should be taken by InvoCare Shareholders (including Excluded Shareholders) pending assessment of a Competing Proposal by the InvoCare Board or the completion of the matching right process set out in clause 12.6 of the Scheme Implementation Deed),

provided that a failure to recommend or withdrawal of a recommendation due to a court or Government Agency (which includes ASIC and the Takeovers Panel) requirement or request that a Target Director abstains from making a recommendation will be disregarded under this termination right; or

- o if there is a:
 - o breach of an InvoCare Representation and Warranty in clause (j) (*Capital Structure and Target Incentives*) of Schedule 1 of the Scheme Implementation Deed; or
 - o material breach of an InvoCare Representation and Warranty,

only if:

- o BidCo has given written notice to InvoCare setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse; and
- o the relevant breach continues to exist 3 Business Days (or any shorter period ending at 5:00 pm on the Business Day before the Second Court Date) after the date on which such notice is given.

Further, InvoCare may also terminate the Scheme Implementation Deed before 8:00am on the Second Court Date by written notice to BidCo:

- o if a majority of the InvoCare Directors:
 - o fails to recommend the Scheme in the manner described in Clause 8.1(a) of the Scheme Implementation Deed;
 - o withdraw, adversely change, adversely modify or adversely qualify their Recommendation; or
 - o make a public statement: indicating that they no longer recommend the Transaction or recommend that InvoCare Shareholders accept or vote in favour of a Competing Proposal (but excluding a statement to the effect that no action should be taken by InvoCare Shareholders (including Excluded Shareholders) pending assessment of a Competing Proposal by the InvoCare Board or the completion of the matching right process set out in clause 12.6 of the Scheme Implementation Deed),

in each case provided that that action was expressly permitted under clause 8.1(c) of the Scheme Implementation Deed, and provided that a failure to recommend or withdrawal of a recommendation due to a court or Government Agency (which includes ASIC and the Takeovers Panel) requirement or request that a Target Director abstains from making a recommendation will be disregarded under this termination right; or

- o if there is a:
 - o breach of a BidCo Representation and Warranty in clauses (m) (*Equity Commitment Letters*), (n) (*Debt Commitment Letters*), (o) (*Sufficient cash amounts – reasonable expectation as at the date of this deed*), (p) (*Sufficient cash amounts – unconditional at Second Court Date*) or (t) (*HoldCo Share*) of Schedule 2 of the Scheme Implementation Deed; or
 - o material breach of a BidCo Representation and Warranty only if:
 - o InvoCare has given written notice to BidCo setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
 - o the relevant breach, to the extent it is of a BidCo Representation and Warranty:
 - in clause (n) (*Debt Commitment Letters*), (o) (*Sufficient cash amounts – reasonable expectation as at the date of this deed*), (p) (*Sufficient cash amounts – unconditional at Second Court Date*) or (t) (*HoldCo Share*) of Schedule 2 of the Scheme Implementation Deed, continues to exist 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which such notice is given;

- in clause (m) (*Equity Commitment Letters*) of Schedule 2 of the Scheme Implementation Deed, continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which such notice is given; and
 - other than a BidCo Representation and Warranty in clause (m) to (p) and (t) of Schedule 2 of the Scheme Implementation Deed, continues to exist 3 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which such notice is given.
- o The Scheme Implementation Deed may also be terminated if agreed in writing between InvoCare and BidCo.

h) Special Dividend

Subject to:

- o the Scheme becoming Effective;
- o InvoCare having received a draft class ruling from the ATO (or their indicative confirmation) and any other administrative guidance from the ATO which InvoCare and BidCo both consider appropriate;
- o InvoCare complying with the requirements of section 254T of the Corporations Act,

InvoCare may (in its absolute discretion) declare and pay a Special Dividend of up to \$0.60 per InvoCare Share to InvoCare Shareholders, provided that:

- o the Special Dividend must be paid in cash;
- o the Special Dividend must be 'frankable' within the meaning of section 202-40 of the Tax Act;
- o the Special Dividend must be fully franked and not be in breach of the 'benchmark rule' as defined in section 203-25 of the Tax Act;
- o the franking account of InvoCare is not in deficit at any time after the payment of the Special Dividend for any reason, including due to the payment of the Special Dividend and/or any tax refunds received by InvoCare before or immediately after the declaration of, or the resolution to pay, the Special Dividend;
- o the record date for the Special Dividend must be at least two days before the Scheme Record Date; and
- o the payment date for the Special Dividend will be determined by InvoCare (in its absolute discretion), provided that the payment date occurs on or before the Implementation Date.

If the InvoCare Board decides to declare and pay a Special Dividend, the Scheme Consideration provided to InvoCare Shareholders on the Implementation Date will be reduced by the cash amount of that Special Dividend. The final decision of the InvoCare Directors regarding the payment of any Special Dividend will be communicated to InvoCare Shareholders by way of an ASX announcement.

7.2 InvoCare Incentives

a) Overview of arrangements

InvoCare operates various incentive plans under which Options, Share Rights, Performance Rights and Restricted Shares are offered to senior executives and key employees as an incentive to align their interests with those of InvoCare Shareholders.

Accordingly, InvoCare Executive Directors, senior executive and key employees have previously received, and have on foot, a number of existing incentive arrangements which will be impacted by the Scheme (depending on the relevant offer terms).

In particular, as at the Last Practicable Date, InvoCare had on issue:

- o 479,572 Options;
- o 8,963 Share Rights;
- o 1,206,912 Performance Rights; and
- o 41,585 Restricted Shares.

For the purposes of this Section 7.2 only, the term 'Cash Consideration' refers to \$12.70 for each InvoCare Share (i.e. it is not adjusted for any Special Dividend that may be declared and paid by InvoCare prior to the Implementation Date).

b) Treatment of InvoCare Equity Incentives

Under the Scheme Implementation Deed, InvoCare must ensure that, prior to the Scheme Record Date, subject to the Scheme becoming Effective, all InvoCare Equity Incentives have been dealt with in the manner agreed with BidCo, such that no InvoCare Equity Incentives remain on issue on the Scheme Record Date.

Options

InvoCare historically operated certain long term incentive plans under which Options were offered to certain key employees. Each Option entitles the holders to be allocated one InvoCare Share, subject to the satisfaction of certain conditions.

In accordance with the applicable plan rules, the InvoCare Board will determine that, if the Scheme becomes Effective, then:

- o any "out of the money" Options (being Options with an exercise price exceeding the Cash Consideration, which at the Last Practicable Date total 241,581 Options with an exercise price of \$13.81) will be cancelled for no consideration prior to the Scheme Record Date; and
- o any vested and "in the money" Options (being Options with an exercise price less than the Cash Consideration which at the Last Practicable Date total 237,991 Options with an exercise price of \$12.08) will automatically be exercised prior to the Scheme Record Date (if not otherwise already exercised by their holders), with each holder entitled to receive a cash payment equivalent in value to the value of their vested Options. This value will be the Cash Consideration less the exercise price of each vested Option.



7 Implementation of the Scheme

continued

Subject to the Scheme becoming Effective, InvoCare has agreed to pay each holder of vested and “in the money” Options the difference between the Cash Consideration and the exercise price for their vested Options on the Implementation Date. The aggregate net cash payment for all vested and “in the money” Options will be no more than \$147,555 (being the number of “in the money” Options referenced above multiplied by the Cash Consideration less the exercise price of the Options).

Share Rights and Performance Rights

InvoCare operates a number of long-term incentive schemes and employee share schemes under which Performance Rights or Share Rights are offered to certain employees. Each Performance Right and each Share Right entitles the holder to be allocated one InvoCare Share, subject to the satisfaction of certain conditions.

Without limiting the operation of the Retention Agreement Letter Deeds (described below in Section 7.2d)), in accordance with the applicable plan rules, the InvoCare Board will determine that, if the Scheme becomes Effective, then:

- o all vested (but unexercised) Share Rights and Performance Rights will automatically be exercised prior to the Scheme Record Date (if not otherwise already exercised by their holders), with:
 - o each holder domiciled in Australia entitled to receive one InvoCare Share for each vested Share Right and/or each vested Performance Right (as applicable) held (that is, on a one for one basis); and
 - o each holder domiciled outside of Australia entitled to receive a cash payment equal to the Cash Consideration for each vested Share Right and/or each vested Performance Right (as applicable) held; and
- o the vesting conditions on all unvested Share Rights and Performance Rights will be waived, with such resulting vested Share Rights and Performance Rights being automatically exercised prior to the Scheme Record Date (if not otherwise already exercised by their holders), with:
 - o each holder domiciled in Australia entitled to receive one InvoCare Share for each vested Share Right and/or each vested Performance Right (as applicable) held (that is, on a one for one basis); and
 - o each holder domiciled outside of Australia entitled to receive a cash payment equal to the Cash Consideration for each vested Share Right and/or each vested Performance Right (as applicable) held.

The maximum number of InvoCare Shares that will be allocated to participants domiciled in Australia from the InvoCare Employee LTI Trust established by a trust deed dated 27 July 2018 (as amended) (**Share Trust**) in connection with the treatment of Share Rights and Performance Rights outlined above is 1,134,013, of which 1,014,902 is in relation to the accelerated vesting of Share Rights and Performance Rights.

Subject to the Scheme becoming Effective, InvoCare has agreed to pay each participant domiciled outside of Australia a cash payment equal to the Cash Consideration for each of their vested Share Rights and/or vested Performance Rights (as applicable) on the Implementation Date. Participants domiciled outside of Australia will not receive InvoCare Shares. The aggregate net cash payment for all vested and unvested Share Rights and Performance Rights of participants domiciled outside of Australia will be no more than \$851,027.

Restricted Shares

InvoCare operates an exempt employee share scheme under which Restricted Shares are beneficially allocated to certain employees under the terms of the Share Trust as part of a salary sacrifice arrangement, which are subject to time-based holding locks.

In accordance with the applicable plan rules, the InvoCare Board will determine that, if the Scheme becomes Effective, then all holding locks on the 41,585 Restricted Shares will be released prior to the Scheme Record Date, such that holders of such Restricted Shares will be eligible to participate in the Transaction.

c) Treatment of InvoCare Cash Incentives

Short Term Incentive Plan

InvoCare also operates a FY23 Short Term Incentive Plan (**FY23 STI**) whereby no more than 399 participating employees are entitled to receive cash bonuses conditional on performance against a scorecard of financial and non-financial performance measures, including individual key performance objectives. Regardless of whether the Scheme becomes Effective, InvoCare and BidCo have agreed that, subject to the operation of the Retention Agreements and Retention Agreement Letter Deeds (described below and in Section 7.2d)), the FY23 STI will continue to operate in accordance with its terms, except that, subject to the extent of satisfaction of the relevant performance measures, participating employees will be entitled to receive cash bonuses under the FY23 STI provided that they (i) are employed as at the Implementation Date, and (ii) have not resigned or given notice of resignation as at the payment date of such bonuses. InvoCare and BidCo have agreed that for the purposes of the FY23 STI, the EBITDA performance threshold will be assessed following the finalisation of the InvoCare Group's audited financial statements for the financial year ending 31 December 2023.

Certain members of the InvoCare Group have entered into retention agreements with 50 officers and employees of the InvoCare Group, including the Chief Executive Officer and Managing Director of InvoCare, Mr Olivier Chretien (each, a **Retention Agreement**). In respect of all employees of the InvoCare Group who are party to a Retention Agreement other than those who have entered into Retention Agreement Letter Deeds, the InvoCare Board has determined that, if the Scheme becomes Effective, each participant's entitlement under the FY23 STI will be calculated as if they had achieved 'at-target' performance on a pro rata basis, with

pro rata calculated in complete months from the later of (i) 1 January 2023 and (ii) the commencement date of their employment, up to the Effective Date, where the month of the Effective Date is counted as a complete month. The 50% financial component is subject to the year-to-date 2023 actual InvoCare Group EBITDA at 30 June 2023 exceeding 90% of the year-to-date 2023 budget InvoCare Group EBITDA (**Gateway Condition**). No payment relating to the financial component will be made if the Gateway Condition has not been satisfied. The 50% non-financial component will be paid 'at-target' irrespective of whether the Gateway Condition has been satisfied. Following the Implementation Date, BidCo will assess whether the Gateway Condition has been satisfied, and, until and unless BidCo determines that the Gateway Condition has been satisfied, none of the aforementioned employees will be entitled to any payment under or in respect of the FY23 STI.

Other arrangements

In recognition of the significant roles played by a number of InvoCare employees in connection with the ongoing operations of InvoCare's business and to incentivise them to remain with InvoCare (regardless of whether or not the Scheme is implemented), those employees will each be entitled to a one-off cash retention payment, or a one-off transaction bonus paid in two tranches. The retention payment is subject to certain conditions, including, among others, that the employee remains employed by InvoCare at the earlier of the Effective Date or 1 July 2024.

The maximum aggregate of the cash retention payments payable to employees is \$650,000.

The maximum aggregate of the cash transaction bonus payments to employees is \$460,000 with the first tranche of \$230,000 paid in June 2023.

The cash retention payments and second tranche of the cash transaction bonus are payable on the Effective Date.

InvoCare Directors are not entitled to receive a cash retention payment or a one-off transaction bonus.

d) Retention Agreement Letter Deeds

12 key executives of InvoCare, including Chief Executive Officer and Managing Director, Mr Olivier Chretien, entered into retention agreement letter deeds with InvoCare and HoldCo (amongst others) on 9 August 2023, with those of Rolling InvoCare Executives (as defined below) being amended and restated on 21 September 2023 (**Retention Agreement Letter Deeds**), pursuant to which:

- o certain key executives of InvoCare (together, referred to as the **Rolling InvoCare Executives**)⁶⁵ have agreed to make (or cause to be made) a valid Election for Scrip Consideration in respect of at least 50% of certain InvoCare Shares they will receive on the acceleration of certain Share Rights and/or Performance Rights that they hold (such InvoCare Shares being the **Rollover Shares**); and

- o certain key executives of InvoCare have agreed to receive their cash payment in relation to the accelerated vesting of their InvoCare Equity Incentives in two instalments, with 50% paid on implementation of the Scheme and the remainder 50% paid on 31 December 2024. Such personnel will only be entitled to receive a payment if (i) they remain employed by the InvoCare Group and have not given notice of resignation as at the date payment is to be made; or (ii) following implementation of the Scheme but the date payment is to be made, their employment is terminated without cause (that is, terminated other than for serious misconduct or breach of their employment contract) or where they are made redundant.

As part of the Retention Agreement Letter Deeds with the Rolling InvoCare Executives:

- o The Rolling InvoCare Executive's Rollover Shares and the Class B Shares received as Scrip Consideration in respect of their Rollover Shares will be subject to the Forfeiture Condition;
 - o HoldCo (or a nominee of HoldCo) has agreed to purchase each Rolling InvoCare Executive's Class B Shares (whether held by the Rolling InvoCare Executive or an entity directly or indirectly controlled by, or otherwise directly or indirectly related to, the Rolling InvoCare Executive) (**Option Shares**) for the Fair Market Value:
 - o if the Rolling InvoCare Executive's employment with a subsidiary of InvoCare is terminated other than for cause (that is, terminated other than for serious misconduct or breach of their employment contract) (**Put Option 1**);
 - o if the Rolling InvoCare Executive's employment with a subsidiary of InvoCare ceases and a Tax Event occurs (**Put Option 2**); and
 - o if the Rolling InvoCare Executive remains employed by a subsidiary of InvoCare and at any time before a Liquidity Event, a Tax Event occurs (**Put Option 3**),
- in each case, if the Rolling InvoCare Executive requires HoldCo (or its nominee) to do so.
- o If the Rolling InvoCare Executive's employment with a subsidiary of InvoCare ceases, then HoldCo has the option (but is not required) to purchase (or nominate another person to purchase) all of the Option Shares for the Fair Market Value (**Call Option**).

The Put Option 1, Put Option 2 or Call Option (as applicable) may only be exercised within 13 months of the Rolling InvoCare Executive's employment ceasing. The Put Option 3 may only be exercised within 12 months of the Tax Event occurring. In each case, the Retention Option may only be exercised in respect of all of the Option Shares and only once.

⁶⁵ Managing Director and Chief Executive Officer, Mr Chretien is a Rolling InvoCare Executive.

7 Implementation of the Scheme

continued

In addition, each key executive of InvoCare is a participant in the FY23 STI. Under the Retention Agreement Letter Deeds:

- o each key executive's entitlement will be determined by the InvoCare board of directors as at the relevant date in accordance with the rules of the FY23 STI, which will be determined following the finalisation of InvoCare's audited financial statements for the financial year ending 31 December 2023 (FY23 Accounts), which must be finalised by no later than 15 March 2024; and
- o any payment to which a key executive is entitled under the FY23 will be made within 10 business days after the finalisation of the FY23 Accounts.

Further, key executives will only be entitled to receive their cash bonuses under the FY23 STI if they (i) remain employed by the InvoCare Group and have not resigned or given notice of resignation as at the payment date of such bonuses; or (ii) following implementation of the Scheme, but before the date payment is to be made, their employment is terminated without cause (that is, terminated other than for serious misconduct or breach of their employment contract) or where they are made redundant.

Other than Mr Olivier Chretien, no other InvoCare Director is a party to a Retention Agreement Letter Deed.

e) Summary of cash payments required to be made by InvoCare

Set out below is a summary of the total maximum cash payments required to be made by InvoCare if the Scheme becomes Effective as a result of the treatment of the InvoCare Equity Incentives and InvoCare Cash Incentives as described in this Section 7.2.

InvoCare Incentive	Maximum cash payments required to be made by InvoCare to employees if the Scheme becomes Effective
Options	147,555
Share Rights	29,362
Performance Rights	821,665
Restricted Shares	0.00
FY23 STI	1,748,629 ⁶⁶
Cash retention payments	650,000
Cash transaction bonus payments	230,000 ⁶⁷
TOTAL	3,627,211

⁶⁶ Assumes Implementation Date occurs in November 2023.

⁶⁷ Total aggregate cash transaction bonus payments of \$460,000 are payable. Of this, the first tranche of \$230,000 was paid by InvoCare in June 2023.

7.3 Key steps to implement the Scheme

a) Deed Poll

On 21 September 2023, BidCo and HoldCo executed the Deed Poll pursuant to which BidCo and HoldCo agreed, subject to the Scheme becoming Effective, to comply with their respective obligations under the Scheme. A copy of the Deed Poll is attached at Appendix D.

b) Scheme approval requirements

The Scheme will only become Effective and be implemented if:

- o it is approved by the requisite majorities of InvoCare Shareholders at the Scheme Meeting;
- o it is approved by the Court on the Second Court Date; and
- o the other Conditions Precedent to the Scheme outlined in Section 7.1a) are satisfied or waived (as applicable) prior to the implementation of the Scheme.

The requisite majorities for the Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

- o at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative); and
- o a majority in number (more than 50%) of the InvoCare Shareholders present and voting at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative).

The Court has the power to waive the second requirement in the paragraph above.

c) Court hearings

The Court has ordered that InvoCare convene the Scheme Meeting for the purposes of InvoCare Shareholders considering the Scheme. The Scheme Meeting is currently expected to be held at 10:00 am on, 31 October 2023, virtually through the online meeting platform at www.meetings.linkgroup.com/IVCScheme23 and in person at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000.

The order of the Court convening the Scheme Meeting is not, and should not be treated as, an endorsement of the Court, or any other expression of opinion by the Court on, the Scheme.

If the Scheme is approved by the requisite majorities of InvoCare Shareholders at the Scheme Meeting, InvoCare will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the requisite majorities of InvoCare Shareholders at the Scheme Meeting. The Second Court Date is currently expected to be held at 9:15 am on 3 November 2023, though a different date may be sought.

d) Actions by InvoCare and BidCo

If the Court order approving the Scheme is obtained, the directors of each of InvoCare and BidCo will take or procure the taking of the steps required for the Scheme to be implemented.

In particular, InvoCare will lodge with ASIC, copies of the Court order under section 411 of the Corporations Act, approving the Scheme and the Scheme will become Effective on the date the office copy of the Court order from the Second Court Date is lodged with ASIC.

e) Suspension of trading of InvoCare Shares

If the Court approves the Scheme, it is expected that the suspension of trading on the ASX in InvoCare Shares will occur from the close of trading on the Effective Date.

f) Special Dividend Record Date, entitlement to any Special Dividend and Special Dividend Payment Date

If the InvoCare Directors decide to declare and pay a Special Dividend, those InvoCare Shareholders who are recorded on the InvoCare Share Register on the Special Dividend Record Date (currently expected to be 7:00pm on 8 November 2023) will be entitled to receive the Special Dividend in respect of the InvoCare Share they hold at that time and will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be on 16 November 2023).

g) Scheme Record Date – Determination of who are Scheme Shareholders

For the purposes of establishing the identity of Scheme Shareholders, dealings in InvoCare Shares or other alterations to the InvoCare Share Register will be recognised by InvoCare if:

- o in the case of dealings of the type to be effected on CHESSE, the transferee is registered in the InvoCare Share Register as the holder of the relevant InvoCare Shares before the Scheme Record Date; and
- o in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the InvoCare Share Register is kept,

and InvoCare will not accept for registration, nor recognise for any purpose (except a transfer to BidCo pursuant to the Scheme and any subsequent transfer by BidCo or its successors in title), any transfer or transmission application or other request in respect of InvoCare Shares received after the Scheme Record Date or received prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

InvoCare will, until the Scheme Consideration has been provided and BidCo has been entered into the InvoCare Share Register as the holder of all of the Scheme Shares, maintain the InvoCare

Share Register in accordance with clause 7.2(a) of the Scheme and the InvoCare Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- o all certificates and statements of holding for InvoCare Shares (other than statements of holding in favour of BidCo and its successors in title) will cease to have effect as documents relating to title in respect of such InvoCare Shares; and
- o each entry on the InvoCare Share Register (other than entries on the InvoCare Share Register in respect of BidCo) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the InvoCare Shares relating to that entry.

h) Provision of Aggregate Cash Consideration

If the Scheme becomes Effective, by no later than 12pm on the Implementation Date, BidCo must deposit, or procure the deposit of, an amount in cleared funds at least equal to the Aggregate Cash Consideration payable into the Trust Account, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will accrue to the benefit of BidCo.

On the Implementation Date, subject to the funds having been deposited by BidCo in the manner described in the previous paragraph, InvoCare will pay, or procure the payment, from the Trust Account to each Scheme Shareholder an amount equal to the amount of Cash Consideration which that Scheme Shareholder is entitled to receive for each Scheme Share registered in the name of that Scheme Shareholder as at the Scheme Record Date by (in InvoCare's absolute discretion and despite any election made or given by the Scheme Shareholder):

- o where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the InvoCare Registry to receive dividend payments from InvoCare by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;
- o paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to InvoCare; or
- o dispatching or procuring the dispatch, of a cheque in Australian currency for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder, such cheque being drawn in the name of the Scheme Shareholder or in the case of joint holders as set out in Section 7.3i) below.



7 Implementation of the Scheme

continued

i) Provision of Aggregate Scrip Consideration

If the Scheme becomes Effective, by no later than 12pm on the Implementation Date (or such other time as BidCo and InvoCare agree in writing), HoldCo must issue the Aggregate Scrip Consideration to Scheme Shareholders in accordance with the Scheme, by:

- o issuing to each applicable Scheme Shareholder the number of Class B Shares the Scheme Shareholder is entitled to receive in accordance with the terms of the Scheme (including following any application of the Scaleback Mechanism) and the valid Election of that Scheme Shareholder (or deemed valid Election); and
- o procuring that the name and address of each such Scheme Shareholder is entered into the HoldCo Share Register on the Implementation Date in respect of the Class B Shares to which it is entitled under the Scheme (through the Nominee to hold as bare trustee for the relevant Scheme Shareholder pursuant to and in accordance with the terms of the Scheme and the HoldCo Shareholders' Deed).

A Scheme Shareholder who receives Scrip Consideration pursuant to the Scheme will have those Class B Shares registered in the name of a custodian nominated by HoldCo (being the Nominee) to hold as bare trustee for that Scheme Shareholder (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration) in accordance with the terms of a custody agreement (being the Nominee Deed) as specified by HoldCo.

Within five Business Days after the Implementation Date, HoldCo must send, or procure the sending of, a certificate or other holding statement to the Nominee in respect of each Scheme Shareholder who received Scrip Consideration under the Scheme, reflecting, the issue to that Scheme Shareholder of such number of Class B Shares as representing the Scrip Consideration, to the Nominee's Registered Address. Please refer to Section 9.4c) for further information on the Nominee.

j) InvoCare Shares held in joint names

In the case of InvoCare Shares that are held by Scheme Shareholders in joint names:

- o any Class B Shares to be issued under the Scheme are to be issued to and registered in the name of the Nominee to hold as bare trustee for the joint holders and the joint holders will have joint beneficial ownership of those Class B Shares;
- o subject to the bullet point below, any Scheme Consideration payable in cash in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent to Scheme Shareholders will be made payable to the joint

holders and sent at the sole discretion of InvoCare, either to the holder whose name appears first in the InvoCare Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account, in which case the amount must be deposited directly to the nominated bank account of the joint holders); and

- o any other document required to be sent under the Scheme will be forwarded at the sole discretion of InvoCare, either to the holder whose name appears first in the InvoCare Share Register as at the Scheme Record Date or to the joint holders.

k) Implementation Date

If the Scheme becomes Effective, it will be implemented on the Implementation Date. On that date, all InvoCare Shares (other than those InvoCare Shares on issue which are not already held by BidCo or its related entities) will be transferred to BidCo, subject to the provision of the Scheme Consideration in the manner described above.

l) Warranty by InvoCare Shareholders

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to InvoCare and BidCo, and appointed and authorised InvoCare as its attorney and agent to warrant to BidCo, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to BidCo pursuant to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to BidCo pursuant to the Scheme. Each Scheme Shareholder is also deemed to have warranted to InvoCare and BidCo, and appointed and authorised InvoCare as its attorney and agent to warrant to BidCo, that the relevant Scheme Shareholder has no existing right to be issued any InvoCare Shares, InvoCare Equity Incentives or any other InvoCare equity securities. InvoCare undertakes that it will provide such warranty to BidCo as agent and attorney for each Scheme Shareholder.

m) Delisting of InvoCare

Following the implementation of the Scheme, InvoCare will apply for the termination of official quotation of InvoCare Shares on the ASX and for InvoCare to be removed from the official list of the ASX by the close of trading on the trading day immediately following the Implementation Date.



SECTION 8

**Information
about InvoCare**



8 Information about InvoCare

This Section 8 provides key information on InvoCare, including an overview of its operations and strategic priorities, the composition of its board and senior management, its capital structure, its recent share price history, its substantial shareholders and its historical financial information.

8.1 Overview of InvoCare

InvoCare is a leading provider of funeral services in Australia, New Zealand and Singapore, and operates private memorial parks and crematoria in Australia and New Zealand. InvoCare is also a leading provider of pet cremation services in Australia. InvoCare employs approximately 2,000 people across its 335 locations.

InvoCare's international network of funeral homes, memorial parks and crematoria operate across a number of recognised national and localised brands, allowing for tailored solutions to meet the diverse needs of its customers and their loved ones.

InvoCare is headquartered in Sydney and is listed on the ASX (ASX:IVC).

a) Operations

InvoCare is organised into the following reportable segments:

- o Australia – Funeral services
- o Australia – Cemeteries & Crematoria
- o Australia – Pet cremations
- o New Zealand
- o Singapore
- o Other / unallocated

Historical segment operating EBITDA and reconciliation to segment EBITDA

	2022	2021
Operating activities	\$'000	\$'000
Australia – Funeral services	90,066	80,521
Australia – Cemeteries & Crematoria	63,773	61,411
Australia – Pet cremations	7,104	6,973
New Zealand	14,440	11,098
Singapore	10,045	8,338
Support costs	(49,313)	(42,864)
Operating EBITDA	136,115	125,477
Non-operating activities – EBITDA	(3,367)	(500)
Segment EBITDA	132,748	124,974

Australia – Funeral services

A leading provider of at-need funeral services in Australia that delivers over 39,000 funerals annually⁶⁸ for Australian families from a diverse footprint of over 235 locations including funeral homes, shop fronts, and shared service centre facilities in metropolitan capital cities and regional towns across the country.

The business operates under the following national brands with complementary regional and local brands:

Australia – Funeral Services brands

Brand	Description
	White Lady Funerals provide a premium offering with over 55 funeral homes in ACT, New South Wales, Queensland, South Australia, Tasmania and Victoria. In Western Australia, White Lady Funerals is known as Mareena Purslowe Funerals and operates 7 funeral homes.
	Simplicity Funerals provide value funeral service offerings and operate 55 locations and mobile services across Australia.
	Value Cremations provide simple, affordable direct cremations with offerings available across Australia.
State / Local brands	A portfolio of 40+ state/local brands across all of Australia excluding the Northern Territory.

Australia – Cemeteries & Crematoria

A leading independent operator of cemeteries and crematoria, overseeing 15 cemeteries and memorial parks in New South Wales and Queensland spanning nearly 300 hectares of open space with long remaining useful lives and a network of over 20 cremators.

The business supports client families annually with their 'at need', 'pre-need' and 'post-need' requirements with a wide range of memorial products and services. The business conducts over 3,000 burials and over 22,000 cremations annually⁶⁹ with the parks and facilities also available for funerals, memorials, and community events.

The business engages with all funeral directors, InvoCare, and independent alike, and client families from all community groups and religious backgrounds through its non-denominational memorial parks.

Pet cremations

Purchased on 15 November 2018, it is Australia's only national pet cremations business with operations in 16 locations across five states. It provides over 99,000 private cremations annually⁷⁰ and offers a wide range of memorial products. Four key retail brands include Patch & Purr, Lawnswood Pet Cremations, Edenhills Pet Cremations and Pets in Peace.

68 Based on calendar year 2022.

69 Based on calendar year 2022.

70 Based on calendar year 2022.

New Zealand

InvoCare is a leading provider of funeral and related services in New Zealand. Through its 48 locations (including two memorial parks and crematoria) and 24 locally trusted brands, the dedicated team in New Zealand of over 200 proudly serves the funeral and memorialisation needs of nearly 7,000 client families across New Zealand annually.⁷¹

Singapore

The Singapore operations are a leading provider of funeral services in the Singaporean market with two main locations including a six storey specially designed property with 13 newly renovated funeral parlours on Lavender St in the central region of Singapore. The dedicated team of nearly 70 offers over 1,700 client families a wide variety of pre-, at and post-need funeral services annually.⁷²

Other / unallocated

The support costs segment captures the operations that support the business as key functions and capabilities which are recognised separately from the main business units. The three primary buckets of costs captured in the segment includes Group Support Corporate, Group Support IT and Field Support.

The primary other business line is pre-paid funerals (pre-need). This business allows clients to pre-pay for selected future funeral services through InvoCare's national network of funeral locations or non-InvoCare affiliated locations. Clients can therefore pay in advance and bear no risk with respect to future price increases. These funds are independently invested and managed over the life of the contract and funds are only released to the funeral home on redemption. The key financial statement impact of this business on the Group profit and loss is the movements from the revaluation of pre-paid FUM and pre-paid contract liabilities, the results of which are captured as non-operating profit and loss items.

b) Strategic priorities

InvoCare has five key strategic priorities in the near-term:

Transform, Accelerate, Grow

Enhanced focus



Stronger core growth

- Growth of our key brands, notably Simplicity
- Customer digital & phone channels
- M&A for quality assets
- Pre-paid Strategy implementation
- 'Park as a destination'



New growth platforms

- Digital self-serve
- Rapid Pet Cremation expansion
- Innovation Hub
- New M&A & partnership opportunities, including offshore

Ongoing focus



Customer led, People empowered

- CRM & data
- Employee Value Proposition
- Increased focus on Diversity, Equity & Inclusion initiatives



Operational Excellence

- Continued shared services optimisation
- Scope new workforce planning & logistics system and capabilities



Sustainable Leadership

- Safety & sustainability
- Complete emission assessment and develop reduction strategies
- Community engagement

Longer-term strategic initiatives include:

- Focused diversification of earnings base;
- Accelerated M&A;
- Growth in pre-paid segment; and
- Investment in sustainability initiatives.

⁷¹ Based on calendar year 2022.

⁷² Based on calendar year 2022.



8 Information about InvoCare

continued

8.2 InvoCare Board and senior management

a) InvoCare Board

The InvoCare Board comprises the following directors:

Bart Vogel	Independent Non-Executive Chairman
Olivier Chretien	Managing Director and Chief Executive Officer
Kim Anderson	Independent Non-Executive Director
Richard Davis	Independent Non-Executive Director
Megan Quinn	Independent Non-Executive Director
Keith Skinner	Independent Non-Executive Director
Kee Wong	Independent Non-Executive Director

b) Executive leadership team

Members of InvoCare's executive leadership team are:

Olivier Chretien	Managing Director and Chief Executive Officer
Adrian Gratwicke	Chief Financial Officer
Lynne Gallucci	Executive General Manager – Australian Funerals
Penny Lovett	Executive General Manager – People and Culture
Steve Nobbs	Executive General Manager – Cemeteries & Crematoria
Grace Westdorp	Executive General Manager – Health, Safety & Sustainability
Tim Higgins	Executive General Manager – International, Strategy & Innovation
Fergus Kelly	Executive General Manager – Stakeholder Engagement
Victoria Doidge	Executive General Manager – Customer
Heidi Aldred	General Counsel & Company Secretary

8.3 Capital structure

As at the Last Practicable Date, the capital structure of InvoCare is as follows:

Type of security	Number on issue
Fully paid ordinary InvoCare Shares	144,060,733
InvoCare Equity Incentives	479,572 Options; 8,963 Share Rights; 1,206,912 Performance Rights; and 41,585 Restricted Shares

8.4 Recent share price history

InvoCare Shares are listed on the ASX under the code 'IVC'.

On 6 March 2023, the last trading day before the announcement made by InvoCare to the ASX on 7 March 2023 that it had received and was assessing an unsolicited, preliminary, non-binding indicative offer from TPG, the InvoCare Share price closed at \$8.95. On 9 August 2023, the day of the announcement of InvoCare's entry into the Scheme Implementation Deed, the InvoCare Share price closed at \$12.48. From the day after the announcement of the Scheme to the last trading day before the Last Practicable Date, the closing price of InvoCare Shares has ranged between \$12.49 and \$12.65.

During the three months ending 6 March 2023:

- o the highest recorded daily closing price for InvoCare Shares on the ASX was \$11.54 on 1 February 2023;
- o the lowest recorded daily closing price for InvoCare Shares on the ASX was \$8.89 on 3 March 2023; and
- o the 3-month VWAP was \$10.54 for InvoCare Shares on the ASX

On 4 August 2023, being the last trading day for InvoCare Shares prior to the announcement of entry into the Scheme Implementation Deed, the closing price for InvoCare Shares on the ASX was \$11.78. The closing price of InvoCare Shares on the ASX on 18 September 2023, being the Last Practicable Date was \$12.60.

InvoCare closing share price over the last 24 months *



* Source: IRESS Market data as at 18 September 2023.

8.5 InvoCare substantial shareholders

As extracted from filings released on the ASX, in each case prior to the last practicable trading day prior to the Last Practicable Date, the following persons were substantial holders with relevant interests of 5% or more of InvoCare Shares:

InvoCare Shareholder	Number of InvoCare Shares	Voting power
Blue Eternal, TPG Asia VIII, TPG Asia VIII Finance LP; TPG Asia VIII (B) BL, LP, TPG Asia VIII (B), LP, and TPG Asia VIII (A), LP	27,623,729	19.175% ⁷³
Kuang Ming Investments Pte. Limited	8,729,098	6.06%
UBS Group AG and its related bodies corporate	14,491,096	10.06%
Vanguard Group	7,223,842	5.01%

⁷³ This comprises a relevant interest in 14,381,667 InvoCare Shares held by Blue Eternal through purchase trades from various sellers, and 13,242,062 InvoCare Shares pursuant to a total return swap between Blue Eternal and UBS. In addition, Blue Eternal is also a party to a cash settled total return swap with Credit Suisse, which relates to 1,164,011 InvoCare Shares.

8.6 Historical financial information

a) Basis of preparation

The following section contains historical financial information about the consolidated entity consisting of InvoCare and the entities it controlled at the end of, or during, the periods ended 30 June 2023, 31 December 2022 and 30 June 2022.

The financial information in this Scheme Booklet is in an abbreviated form and does not contain all of the presentations and disclosures that are usually provided in an annual report or a half-yearly report and should therefore be read in conjunction with the financial statements of InvoCare for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements. The information has been extracted from the reviewed half-yearly financial report of InvoCare for the period ended 30 June 2023, which is available on InvoCare's website at www.InvoCare.com.au/investor-relations/share-info. Further detail on InvoCare's financial performance and financial statements for the half-year ended 30 June 2023 as announced to the ASX on 28 August 2023 can also be found in the half-yearly report for the half-year ended 30 June 2023 that is available on the InvoCare website at www.InvoCare.com.au/investor-relations/share-info.



8 Information about InvoCare

continued

b) InvoCare's consolidated statement of profit or loss

Below is a summary of InvoCare's historical consolidated statement of profit or loss for the half financial years ended 30 June 2023 and 30 June 2022.⁷⁴

Consolidated statement of comprehensive income

For the half year ended 30 June 2023

	Notes	Half year ended	
		30 Jun 2023 \$'000	Restated* 30 Jun 2022 \$'000
Revenue from continuing operations	2	280,179	281,733
Finished goods, consumables and funeral disbursements		(69,946)	(68,607)
Employee benefits expense		(104,407)	(96,653)
Advertising and public relations expenses		(6,463)	(6,305)
Occupancy and facilities expenses		(13,105)	(11,769)
Motor vehicle expenses		(3,728)	(3,701)
Technology expenses	4	(19,893)	(13,265)
Other expenses		(7,384)	(8,309)
Pre-paid contract service expenses	3	(13,573)	(13,893)
Depreciation and amortisation expenses	4	(24,491)	(21,929)
Finance costs	4	(16,657)	67,485
Interest income		1,312	577
Gain/(loss) on pre-paid contract funds under management	3	6,728	(46,549)
Acquisition related costs		(1,583)	(382)
Restructuring costs		-	(1,476)
Accounting standard transition expenses		(596)	-
Net gain on lease modifications/terminations		2	337
Net gain on disposal of non-current assets		82	361
Profit before income tax		6,477	57,655
Income tax expense		(1,996)	(16,434)
Net profit after income tax from continuing activities		4,481	41,221
Net profit after income tax for the half year		4,481	41,221
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges, net of tax		-	102
Changes in foreign currency translation reserve, net of tax		1,083	(3,489)
Other comprehensive income/(loss) for the half year, net of tax		1,083	(3,387)
Total comprehensive income for the half year, net of tax		5,564	37,834
Profit is attributable to:			
Equity holders of InvoCare Limited		4,459	41,130
Non-controlling interests		22	91
		4,481	41,221
Total comprehensive income for the period is attributable to:			
Equity holders of InvoCare Limited		5,542	37,743
Non-controlling interests		22	91
		5,564	37,834

	Notes	Half year ended	
		30 Jun 2023 cents	Restated* 30 Jun 2022 cents
Earnings per share for profit attributable to the ordinary equity holders of InvoCare Limited			
Basic earnings per share	5	3.1	28.8
Diluted earnings per share	5	3.1	28.7

⁷⁴ Prior year comparative has been restated for the change in accounting policy relating to AASB 17 Insurance Contracts, as announced to the ASX on 28 August 2023.

c) InvoCare's consolidated statement of financial position

Below is a summary of InvoCare's historical consolidated statement of financial position for the half financial year ended 30 June 2023 and full financial year ended 31 December 2022. ⁷⁵

Consolidated balance sheet

As at 30 June 2023

	Notes	As at	
		30 Jun 2023 \$'000	Restated* 31 Dec 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		21,914	31,659
Trade receivables		50,141	49,290
Other receivables		15,852	17,537
Inventories		48,660	45,463
Pre-paid contract funds under management	3	40,208	40,081
Pre-paid technology assets		2,746	2,278
Current tax receivable		4,011	-
Deferred selling costs	7	2,698	3,274
Deferred contract assets		6,812	5,496
Total current assets		193,042	195,078
Non-current assets			
Trade receivables		19,599	20,410
Other assets		688	640
Other financial assets		8,229	5,918
Property, plant and equipment		518,463	526,141
Right of use assets		153,889	158,447
Pre-paid contract funds under management	3	562,610	566,283
Intangibles		234,725	233,045
Pre-paid technology assets		13,363	13,431
Deferred selling costs	7	12,582	11,445
Deferred contract assets		140	161
Total non-current assets		1,524,288	1,535,921
Total assets		1,717,330	1,730,999
Liabilities			
Current liabilities			
Trade and other payables		48,159	85,820
Lease liabilities		22,309	21,475
Current tax liabilities		2,361	11,933
Pre-paid contract liabilities	3	28,949	28,375
Deferred revenue	7	18,495	15,090
Provision for employee entitlements		18,300	17,943
Total current liabilities		138,573	180,636
Non-current liabilities			
Borrowings	8	240,924	200,596
Lease liabilities		157,868	160,989
Deferred tax liabilities		70,501	70,463
Pre-paid contract liabilities	3	405,748	402,478
Deferred revenue	7	61,914	64,987
Provision for employee entitlements		3,708	3,214
Total non-current liabilities		940,663	902,727
Total liabilities		1,079,236	1,083,363
Net assets		638,094	647,636
Equity			
Contributed equity	9	498,043	498,786
Reserves		14,495	12,021
Retained profits		124,164	135,452
Parent entity interests		636,702	646,259
Non-controlling interests		1,392	1,377
Total equity		638,094	647,636

⁷⁵ Prior year comparative has been restated for the change in accounting policy relating to AASB 17 Insurance Contracts, as announced to the ASX on 28 August 2023.



8 Information about InvoCare

continued

d) InvoCare's consolidated statement of cash flows

Below is a summary of InvoCare's historical consolidated statement of cash flows for the half financial years ended 30 June 2023 and 30 June 2022.

Consolidated statement of cash flows

For the half year ended 30 June 2023

	Half year ended	
	30 Jun 2023	30 Jun 2022
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (including GST)	290,687	286,548
Payments to suppliers and employees (including GST)	(278,038)	(253,064)
Other revenue	4,207	3,120
	16,856	36,604
Interest received	905	170
Finance costs	(8,456)	(6,729)
Income tax paid	(14,873)	(4,209)
Net cash flows from operating activities	(5,568)	25,836
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	880	978
Purchase of subsidiaries and other businesses including acquisition costs, net of cash acquired	(2,291)	(382)
Purchase of property, plant and equipment, intangibles and pre-paid technology assets	(25,665)	(18,380)
Purchase of other financial assets	(2,311)	-
Payments to funds under management for pre-paid contract sales	(14,017)	(9,197)
Receipts from funds under management for pre-paid contracts service delivered	27,416	21,497
Net cash flows from investing activities	(15,988)	(5,484)
Cash flows from financing activities		
Payment for shares acquired by InvoCare Deferred Employee Share Plan trust	(2,456)	-
Proceeds from share option vested and exercised	404	33
Proceeds from borrowings	64,600	25,000
Repayment of borrowings	(24,547)	(19,097)
Principal elements of lease payments	(10,421)	(10,171)
Dividends paid to InvoCare Limited equity holders	(15,747)	(16,566)
Dividends paid to non-controlling interests in subsidiaries	(7)	(77)
Net cash flows from financing activities	11,826	(20,878)
Net (decrease)/increase in cash and cash equivalents	(9,730)	(526)
Cash and cash equivalents at the beginning of the half year	31,659	53,630
Effects of exchange rate changes on cash and cash equivalents	(15)	(127)
Cash and cash equivalents at the end of the half year	21,914	52,977

8.7 Material changes to InvoCare's financial position since 30 June 2023

As at the Last Practicable Date, within the knowledge of the InvoCare Directors and other than as disclosed in this Scheme Booklet or announced on the ASX, there have been no material changes to the financial position of InvoCare since 30 June 2023, being the date of InvoCare's reviewed accounts for the half-year ending 30 June 2023, except that InvoCare may pay the Special Dividend.

8.8 InvoCare Directors' intentions for the business

The Corporations Act requires a statement by the InvoCare Directors of their intentions regarding InvoCare's business. If the Scheme is implemented, the existing InvoCare Directors will resign and the InvoCare Board will be reconstituted in accordance with the instructions of BidCo after the Implementation Date. Accordingly, it is not possible for the InvoCare Directors to provide a statement of their intentions after the Scheme is implemented regarding:

- o the continuation of the business of InvoCare;
- o any major changes, if any, to be made to the business of InvoCare; and
- o the future employment of the present management of InvoCare.

If the Scheme is implemented, BidCo will have 100% control of InvoCare. The current intentions of BidCo with respect to these matters are set out in Section 9.6.

If the Scheme is not implemented, the InvoCare Directors intend to continue to operate the business of InvoCare in the ordinary course of the business.

8.9 Publicly available information on InvoCare

As a company listed on the ASX and a disclosing entity under the Corporations Act, InvoCare is subject to regular reporting and disclosure obligations. Broadly, these require InvoCare to announce information concerning InvoCare that a reasonable person would expect to have a material effect on the price or value of InvoCare Shares as soon as it becomes aware of the information, subject to exceptions for certain confidential information. The ASX maintains files containing publicly disclosed information about all companies listed on the ASX. Information disclosed to the ASX by InvoCare is available on the ASX's website at www.asx.com.au/markets/company/IVC. Further announcements concerning developments at InvoCare will continue to be made available on this website after the Last Practicable Date.

InvoCare is required to prepare and lodge with ASIC and the ASX both annual and half yearly financial statements accompanied by a statement and report from the InvoCare Directors and an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the InvoCare website at www.InvoCare.com.au/investor-relations/share-info

InvoCare Shareholders may also obtain copies of the InvoCare annual report for the financial year ended 31 December 2022 free of charge by calling the InvoCare Shareholder Information Line on

☎ 1800 774 615 (within Australia) or
+ 611800 774 615 (outside Australia)

or online on InvoCare's website at
www.InvoCare.com.au/investor-relations/annual-reports



8 Information about InvoCare continued

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SECTION 9

**Information about TPG
and the Bidder Group**



9 Information about TPG and the Bidder Group

This Section 9 has been prepared by BidCo. This Section 9 provides information about TPG and the Bidder Group, including, information on the Class B Shares, how the Scheme Consideration will be funded, and BidCo's intentions if the Scheme is implemented.

The information concerning TPG and any Bidder Group Member, how BidCo is funding the Scheme Consideration and the intentions, views and opinions contained in this Section 9 are the responsibility of BidCo. InvoCare Group and its officers and advisors do not assume any responsibility for the accuracy or completeness of this information.

9.1 Overview of TPG

TPG is a global investment firm founded in 1992 which invests in companies across a broad range of industries and geographies. Its investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit and public equity. As at September 2023, TPG had approximately US\$139 billion of assets under management worldwide.

TPG has completed a number of investments in Australia including:

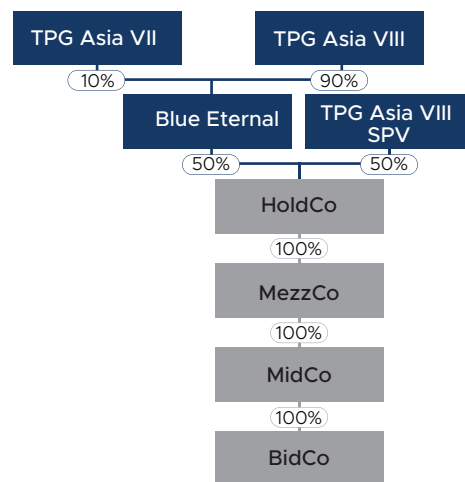
iNova Pharmaceuticals	a developer and marketer of a range of over-the-counter and prescription medicines to Australasia, Asia-Pacific, South Africa and other international markets;
Greencross	Australasia's leading specialty pet care retailer;
Novotech	one of Australia's largest contract research organisations and providers of clinical trial services;
Funlab	an Australian entertainment group specialising in bowling alleys and mini golf;
Made Group	an Australian beverages company which includes the brands Cocobella, Impressed, Rokeby Farms and Nutrient Water;
Inghams	the largest vertically integrated poultry supplier and producer in Australia and New Zealand;
Healthscope	a developer and operator of hospitals and other medical facilities throughout Australia;
Alinta Energy	a leading Australian electricity and gas generator and retailer; and
Cushman & Wakefield	a global leader in commercial real estate services which was formed through a merger with DTZ, a leading provider of property and facilities management services carved out of the Australian conglomerate UGL.

Each of TPG Asia VII and TPG Asia VIII are entities managed/advised by funds known as the TPG Asia VII Fund and the TPG Asia VIII Fund (and their respective general partners). The limited partnerships that comprise the TPG Asia VII Fund and TPG Asia VIII Fund will be indirectly participating in the Scheme and have an ownership interest in the Bidder Group. More information in relation to TPG can be found at www.tpg.com

9.2 Ownership structure

a) Before implementation of the Scheme

Set out below is a current structure diagram of the Bidder Group:⁷⁶



b) After implementation of the Scheme

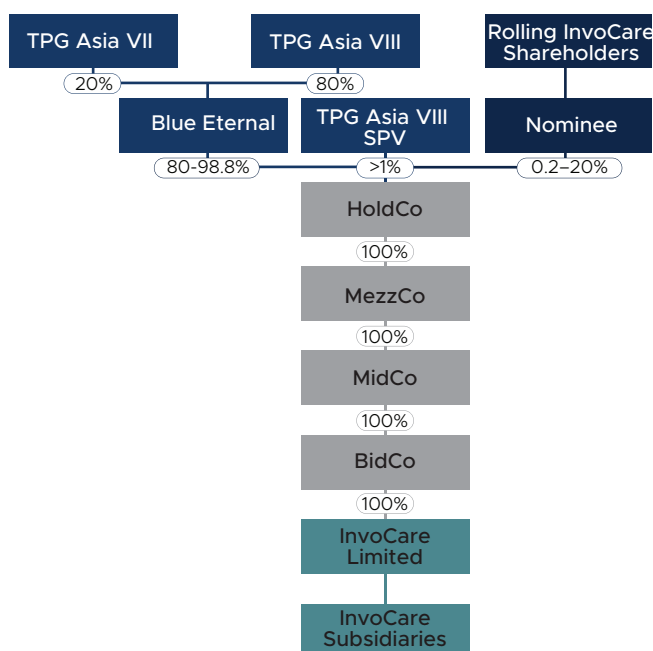
Set out below is an illustrative structure chart of the Bidder Group at the Implementation Date.⁷⁷

If the Scheme is implemented, Scheme Shareholders will receive Cash Consideration unless they make a valid Scrip Election (and the other conditions are satisfied – see Sections 6.3b) and 9.4a) for details).

Scheme Shareholders who validly elect to receive Scrip Consideration will hold no more than 20% of the issued capital in HoldCo. As noted in Section 7.2d), the Rolling InvoCare Executives have agreed to make a valid Election for Scrip Consideration in respect of at least 50% of certain InvoCare Shares they will receive on the acceleration of certain Share Rights and/or Performance Rights that they hold. BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections of the Rollover InvoCare Executives. The structure chart has been prepared on that basis.

⁷⁶ The structure diagram reflects the ordinary shareholdings in Blue Eternal. Blue Eternal also has preference shares on issue.

⁷⁷ The structure reflects the ordinary shareholdings in Blue Eternal. Blue Eternal also has preference shares on issue.



9.3 Overview of Bidder Group

a) BidCo

BidCo is an Australian proprietary company that was incorporated on 22 June 2023. BidCo is a wholly owned subsidiary of MidCo, which is a wholly owned subsidiary of MezzCo, which in turn is a wholly owned subsidiary of HoldCo.

Other than entry into the Scheme Implementation Deed and associated documents, and taking any steps contemplated by those documents, BidCo has no trading history, assets or liabilities.

As at the Last Practicable Date, Mr Nicholas Kay is the sole director and company secretary of BidCo (whose brief profile is set out in Section 9.3d)(iii). On and from the Implementation Date, one or more directors may be appointed to the board of BidCo pursuant to the constitution of BidCo.

b) MidCo

MidCo is an Australian proprietary company that was incorporated on 22 June 2023 and became the holder of all of the shares in BidCo on that date. MidCo has no trading history, assets (other than the shares in BidCo) or liabilities.

As at the Last Practicable Date, Mr Kay is the sole director and company secretary of MidCo.

c) MezzCo

MezzCo is an Australian proprietary company that was incorporated on 22 June 2023 and became the holder of all of the shares in MidCo on that date. MezzCo has no trading history, assets (other than the shares in MidCo) or liabilities.

As at the Last Practicable Date, Mr Kay is the sole director and company secretary of MezzCo.

d) HoldCo

i) General overview

HoldCo is an unlisted Australian public company that was incorporated on 22 June 2023 for the purposes of holding all of the shares in MezzCo and issuing HoldCo shares to HoldCo shareholders.

Other than entry into the Deed Poll and Retention Agreement Letter Deeds and associated documentation, and taking any steps contemplated by those documents, HoldCo has no trading history, assets (other than the shares in MezzCo) or liabilities.

ii) Capital structure

On the day prior to the Implementation Date, there will only be Class A Shares on issue in HoldCo. These shares will be held by the TPG Shareholders.

TPG Shareholder ⁷⁸	Number of Class A Shares
Blue Eternal	50
TPG Asia VIII SPV	50
Total	100

TPG is in discussions with potential co-investors who may be offered the opportunity to indirectly invest in HoldCo through the TPG Asia VIII Fund (subject to receipt of applicable regulatory approval for the particular co-investor and the co-investor's entry into definitive equity commitment documentation with TPG Asia VIII). These potential co-investors are existing and future potential limited partners of TPG in the TPG Asia VIII Fund. Each co-investor will be a passive investor. Co-investors will invest through a TPG controlled co-investment vehicle, which itself would be issued shares in TPG Asia VIII equivalent to the aggregate quantum of any such co-investment. No single co-investor will have an economic interest in HoldCo exceeding 20% of the issued capital of HoldCo as at the Implementation Date.

iii) Directors

As at the Last Practicable Date, the directors of HoldCo are Mr Vincent Wong, Mr Kay and Mr Daniel Lahav. Brief profiles of each of these directors are set out below.

The TPG Shareholders intend to supplement or replace these directors with additional nominees on and from the Implementation Date, pursuant to their right to do so under the HoldCo Shareholders' Deed.

⁷⁸ TPG may in its sole discretion remove or replace Blue Eternal and/or TPG Asia VIII SPV as HoldCo shareholders before the Implementation Date. Any such change(s) will not alter the number of Class A Shares under TPG's control immediately before the Implementation Date. To the extent TPG does replace one or both of Blue Eternal and TPG Asia VIII SPV, all references to TPG Shareholders in this Scheme Booklet should be read as references to the replacement TPG Shareholder(s).



9 Information about TPG and the Bidder Group

continued

- o **Mr Wong:** Mr Wong is a Managing Director at TPG Capital. Prior to joining TPG in 2011, Mr Wong was an investment banker at Goldman Sachs in Melbourne, where he worked on M&A transactions in the media, industrial and healthcare sectors. He holds a Bachelor of Commerce and a Bachelor of Laws (with Honours) from The University of Melbourne.
- o **Mr Kay:** Mr Kay is Managing Director, Head Transaction Counsel for TPG Asia. Prior to joining TPG in 2017, Mr Kay was general counsel at Clermont Holdings in Singapore and a solicitor at Cleary Gottlieb Steen & Hamilton LLP in Hong Kong. He holds a Bachelor of Laws and a Bachelor of Commerce (First Class Honours) from Victoria University of Wellington.
- o **Mr Lahav:** Mr Lahav is a Principal at TPG Capital. Prior to joining TPG in 2020, Mr Lahav was Vice President at Allen & Company in New York City, where he worked on M&A transactions in the media, technology and healthcare sectors. Mr Lahav holds a Bachelor of Commerce (with Honours) from The University of Melbourne.

iv) Corporate governance

The affairs of HoldCo are regulated under the HoldCo Shareholders' Deed and the HoldCo Constitution (set out in Appendix E and Appendix F). A summary of the key rights and obligations attaching to Class B Shares is set out in Section 9.4c) (although this summary is not exhaustive and InvoCare Shareholders should read these documents in full).

The HoldCo shares are not, and will not be for the foreseeable future be, quoted on any securities exchange. The corporate governance arrangements for HoldCo will differ from those that InvoCare currently has in place. After the Implementation Date, HoldCo is likely to adopt an approach to corporate governance appropriate for a closely held unlisted Australian public company limited by shares.

9.4 Class B Shares

a) Transaction overview

As detailed in Section 6.3b), eligible InvoCare Shareholders are entitled to make an Election to receive all or part of the Scheme Consideration as Class B Shares. These Elections are as follows:

- o **Mixed Consideration Option 1:** Cash Consideration for each Scheme Share, in respect of 75% of the Scheme Shares, plus Scrip Consideration for each Scheme Share, in respect of the other 25% of the Scheme Shares, held by a Scheme Shareholder who has made this Election;
- o **Mixed Consideration Option 2:** Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares, plus Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares, held by a Scheme Shareholder who has made this Election;
- o **Mixed Consideration Option 3:** Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares, plus Scrip Consideration for each Scheme Share, in respect of the other 75% of the Scheme Shares, held by a Scheme Shareholder who has made this Election;
- o **All Scrip Consideration:** Scrip Consideration for each Scheme Share held by a Scheme Shareholder who has made this Election; or
- o **Custom Consideration:** Cash Consideration for such number of Scheme Shares, plus Scrip Consideration for such number of Scheme Shares, as agreed with BidCo (in its absolute discretion) in writing.

HoldCo must only issue Scrip Consideration if valid Elections reach the Minimum Scrip Threshold. The Minimum Scrip Threshold is 5%, or such lesser percentage as notified by BidCo to InvoCare in writing at least three Business Days before the Scheme Meeting, of the issued capital of HoldCo as at the Implementation Date. As set out in Section 7.2d), the Rolling InvoCare Executives have agreed to make a valid Election for Scrip Consideration in respect of at least 50% of certain InvoCare Shares they will receive on the acceleration of certain Share Rights and/or Performance Rights that they hold. If the aggregate valid Elections will represent less than 5% of the issued capital of InvoCare as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.

The Scrip Consideration is also subject to a pro rata Scaleback Mechanism if valid Elections would result in InvoCare Shareholders holding greater than the Maximum Scrip Threshold. Subject to the Minimum Scrip Threshold,⁷⁹ the Maximum Scrip Threshold and any application of the Scaleback Mechanism, Scheme Shareholders who validly elect to receive Scrip Consideration will hold no more than 20% of the issued capital in HoldCo.

Any Custom Consideration Election made will be subject to BidCo (in its absolute discretion) notifying the eligible InvoCare Shareholder in writing, by the Election Date, that BidCo has accepted that eligible InvoCare Shareholder's Election for Custom Consideration. If BidCo does not provide a written acceptance by the Election Date, or such an Election has been made by an Ineligible Foreign Shareholder, the InvoCare Shareholder will receive the Cash Consideration for each InvoCare Share held as at the Scheme Record Date. Any eligible InvoCare Shareholder that is considering making a Custom Consideration Election should complete and return the Election Form as soon as possible so that BidCo can consider it before the Election Date.

b) Illustrative examples of possible HoldCo capital structure

The following scenarios are illustrative only of the possible HoldCo capital structure after the Implementation Date. Each of these scenarios is based on a number of assumptions and is unlikely to reflect the ultimate HoldCo capital structure immediately after implementation of the Scheme.

The assumptions on which the illustrative examples are based include the following:

- o the total amount of the transaction costs;
- o the level of the InvoCare Group's net debt;
- o that InvoCare will have 144,060,733 InvoCare Shares on issue at the Implementation Date;
- o that BidCo will acquire 116,437,004 Scheme Shares on the Implementation Date;
- o before the Implementation Date, the UBS Swap will be physically settled and, Blue Eternal will transfer these InvoCare Shares to BidCo in consideration for Class A Shares. As a result, BidCo will hold 27,623,729 InvoCare Shares on or before the Implementation Date, but will be an Excluded Shareholder;
- o before the Implementation Date, Blue Eternal will cash settle the Credit Suisse Swap;
- o a Special Dividend of \$0.60 per InvoCare Share will be declared and paid; and
- o each Class A Share and Class B Share will have an issue price of \$1.00.

The actual outcome on implementation of the Scheme may differ from the assumptions made in this Section 9.4b). This may result in changes to the sources and uses of funds following implementation and, consequently, the illustrative ownership of HoldCo on implementation.

⁷⁹ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



9 Information about TPG and the Bidder Group

continued

Illustrative scenario 1: Only the Rolling InvoCare Executives make valid Elections to receive Scrip Consideration

Illustrative HoldCo capital structure

HoldCo shares	Number (millions) ⁸⁰	Percentage
Class A Shares ⁸¹	1,473.8	99.8%
Class B Shares ⁸²	2.7 ⁸³	0.2%
Total	1,476.5	100.0%

Sources and uses

		AS (millions)
Sources	Cash provided by TPG	1,123.0
	Cash received from the Special Dividend ⁸⁴	16.6
	Cash provided by new debt facilities	675.0
	Total sources of funds	1,814.6
Uses	Payment of Cash Consideration (excluding the Special Dividend) ⁸⁵	1,406.2
	Repayment of InvoCare existing net debt balance outstanding ⁸⁶	289.4
	Payment of transaction costs, capital raising fees and funding of initial liquidity ⁸⁷	119.0
	Total uses of funds	1,814.6

⁸⁰ The number of shares will be rounded in the manner described in Section 6.3e).

⁸¹ This includes the number of Class A Shares issued to Blue Eternal in consideration for the transfer of 27,623,729 InvoCare Shares to BidCo on or before the Implementation Date.

⁸² Based on 0.2% of the total issued capital of HoldCo as at the Implementation Date. This reflects that: (i) no InvoCare Shareholder will make a valid Election for Scrip Consideration other than the Rolling InvoCare Executives; and (ii) the Rolling InvoCare Executives will make a valid Election for Scrip Consideration in respect of 50% of the 447,785 InvoCare Shares they will (collectively) receive on the acceleration of certain Share Rights and/or Performance Rights that they hold.

⁸³ Based on the implied number of Class B Shares equal to 0.2% of the total issued capital of HoldCo. This is the product of 223,893 InvoCare Shares (being 50% of 447,785 InvoCare Shares that the Rolling InvoCare Executives will (collectively) receive on the acceleration of certain Share Rights and/or Performance Rights that they hold), multiplied by the Cash Consideration and divided by the issue price per Class B Share.

⁸⁴ Special Dividend of \$0.60 per InvoCare Share paid to BidCo, who will hold 27,623,729 InvoCare Shares on or before the Implementation Date.

⁸⁵ Product of 116,213,112 Scheme Shares (being 116,437,004 Scheme Shares less 2,709,099 Class B Shares divided by the Cash Consideration) multiplied by the Cash Consideration per InvoCare Share.

⁸⁶ InvoCare estimate for the anticipated net debt amount to be repaid on or before the Implementation Date. This includes the payment of a Special Dividend of \$0.60 per InvoCare Share, as well as a \$998,582 payment for cash settled InvoCare Equity Incentives.

⁸⁷ Estimates provided by BidCo and InvoCare.

Illustrative scenario 2: Valid Elections to receive Scrip Consideration – 5% of the total issued capital of HoldCo

Illustrative HoldCo capital structure

HoldCo shares	Number (millions) ⁸⁸	Percentage
Class A Shares ⁸⁹	1,402.7	80.0%
Class B Shares ⁹⁰	73.8 ⁹¹	20.0%
Total	1,476.5	100.0%

Sources and uses

		A\$ (millions)
Sources	Cash provided by TPG	1,051.9
	Cash received from the Special Dividend ⁹²	16.6
	Cash provided by new debt facilities	675.0
	Total sources of funds	1,743.5
Uses	Payment of Cash Consideration (excluding the Special Dividend) ⁹³	1,335.1
	Repayment of InvoCare existing net debt balance outstanding ⁹⁴	289.4
	Payment of transaction costs, capital raising fees and funding of initial liquidity ⁹⁵	119.0
	Total uses of funds	1,743.5

⁸⁸ The number of shares will be rounded in the manner described in Section 6.3e).

⁸⁹ Refer to footnote 77.

⁹⁰ Based on 5% of the total issued capital of HoldCo as at the Implementation Date.

⁹¹ Based on the implied number of Class B Shares equal to 5% of the total issued capital of HoldCo.

⁹² Refer to footnote 80.

⁹³ Product of 110,335,661 Scheme Shares (being 116,437,004 Scheme Shares less 73,826,245 Class B Shares divided by the Cash Consideration) multiplied by the Cash Consideration per InvoCare Share.

⁹⁴ Refer to footnote 82.

⁹⁵ Refer to footnote 83.



9 Information about TPG and the Bidder Group

continued

Illustrative scenario 3: Maximum valid Elections to receive Scrip Consideration

Illustrative HoldCo capital structure

HoldCo shares	Number (millions) ⁹⁶	Percentage
Class A Shares ⁹⁷	1,181.2	80.0%
Class B Shares ⁹⁸	295.3 ⁹⁹	20.0%
Total	1,476.5	100.0%

Sources and uses

		A\$ (millions)
Sources	Cash provided by TPG	830.4
	Cash received from the Special Dividend ¹⁰⁰	16.6
	Cash provided by new debt facilities	675.0
	Total sources of funds	1,522.0
Uses	Payment of Cash Consideration (excluding the Special Dividend) ¹⁰¹	1,113.6
	Repayment of InvoCare existing net debt balance outstanding ¹⁰²	289.4
	Payment of transaction costs, capital raising fees and funding of initial liquidity ¹⁰³	119.0
	Total uses of funds	1,522.0

⁹⁶ The number of shares will be rounded in the manner described in Section 6.3e).

⁹⁷ Refer to footnote 77.

⁹⁸ Based on the Maximum Scrip Threshold being 20% of the total issued capital of HoldCo as at the Implementation Date.

⁹⁹ Based on the implied number of Class B Shares equal to 20% of the total issued capital of HoldCo.

¹⁰⁰ Refer to footnote 80.

¹⁰¹ Product of 92,031,634 Scheme Shares (being 116,437,004 Scheme Shares less 295,304,978 Class B Shares divided by the Cash Consideration) multiplied by the Cash Consideration per InvoCare Share.

¹⁰² Refer to footnote 82.

¹⁰³ Refer to footnote 83.

c) Summary of rights and obligations attaching to Class B Shares

A summary of the key rights and obligations attaching to Class B Shares is set out below. This summary is not exhaustive. Eligible InvoCare Shareholders considering making a valid Election to receive Scrip Consideration should read and understand the HoldCo Shareholders' Deed, the HoldCo Constitution and the Nominee Deed in full and seek their own independent advice before making a decision.

The HoldCo Shareholders' Deed and the HoldCo Constitution provide that the terms of the HoldCo Shareholders' Deed will prevail in the event of any inconsistency between them.

Topic	Overview
Issue and ranking	<p>Immediately following implementation of the Scheme, HoldCo will have two classes of shares on issue, being Class A Shares and Class B Shares.</p> <p>Class A Shares will be held by the TPG Shareholders, unless otherwise agreed by the TPG Shareholders.</p> <p>As at the Last Practicable Date, no Class B Shares are on issue. Class B Shares will be issued to Scheme Shareholders who make a valid Election to receive Scrip Consideration (with these shares to be held by the Nominee), subject to the Minimum Scrip Threshold,¹⁰⁴ Maximum Scrip Threshold, and any application of the Scaleback Mechanism.</p> <p>Class B Shares will be issued as fully paid shares in accordance with the terms of the Scheme and will rank equally in all respects with all other Class B Shares from the date of issue.</p> <p>However, the TPG Shareholders will have rights and obligations under the HoldCo Shareholders' Deed and the HoldCo Constitution that will be significantly more favourable to the TPG Shareholders than the rights and obligations of the Class B Shareholders. Amongst other things, under the HoldCo Shareholders' Deed, the TPG Shareholders will exercise effective control over HoldCo and will have the ability to determine the timing and terms of any Exit (including through rights to appoint a majority of the HoldCo Board, which will in turn control the management of HoldCo).</p> <p>Any Class B Shares that are transferred to a TPG Shareholder will be automatically re-classified as Class A Shares. A Scheme Shareholder will not hold Class A Shares at any time and will therefore not have any rights and obligations accorded to the Class A Shareholders under the HoldCo Shareholders' Deed. Following the implementation of the Scheme, HoldCo may invite managers to co-invest for Class C Shares and/or participate in a management equity plan in which Class M Shares will be issued. Upon the first issuance of Class C Shares and/or Class M Shares, HoldCo will enter into a management securityholders' deed with the Class C and/or Class M Shareholders which will regulate the rights and obligations of those shareholders in relation to the HoldCo Group.</p> <p>Where the HoldCo Shareholders' Deed and the HoldCo Constitution deal with the same or similar topic differently, the HoldCo Shareholders' Deed prevails in relation to that topic.</p> <p>For further details, see clauses 1.4, 2.4 and 2.5 of the HoldCo Shareholders' Deed and rule 3 of the HoldCo Constitution.</p>
Power of attorney	<p>Each Class B Shareholder (Appointor) appoints HoldCo and each of the HoldCo directors as its attorney to exercise certain rights under the HoldCo Shareholders' Deed. Under the terms of the appointment, the attorney may:</p> <ul style="list-style-type: none">o complete and execute documents for and on the Appointor's behalf as are necessary or otherwise appropriate to give effect to any actions of the Appointor, or any transactions in accordance with the HoldCo Shareholders' Deed including the drag, tag and exit provisions, the nominee arrangements and shareholder approvals;o call for, agree to short notice being provided in respect of, speak at, and attend general meetings of HoldCo (including any class meeting);o vote or grant a proxy in favour of any person to vote (or appoint an authorised representative to vote) on behalf of the Appointor (to the exclusion of the Appointor) at any meeting or class meeting of holders of HoldCo shares (or any class of them);o instruct and direct the Nominee, to take all actions appropriate to implement any transaction or carry out any other matter, under or contemplated by any document, including to instruct such person to execute and deliver (conditionally or unconditionally) any appropriate documents and to dispose of any HoldCo shares; ando execute circulating shareholder resolutions on behalf of the Appointor. <p>For further details, see clause 25 of the HoldCo Shareholders' Deed.</p>

¹⁰⁴ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



9 Information about TPG and the Bidder Group

continued

Topic	Overview
Variation of class rights	<p>The rights attaching to Class B Shares may only be varied by a resolution of the HoldCo Board. Notice must be given to each Class B Shareholder within seven days of the resolution of the HoldCo Board effectuating such a variation.</p> <p>Each Class B Shareholder is deemed to have consented to and approved any such variation of class rights, except where the variation prejudices the Class B Shareholders in a manner that is materially and adversely disproportionate as compared to the Class A Shareholders. In such a case, the variation of class rights must be approved by Class B Shareholders holding more than 75% of the Class B Shares.</p> <p>For further details, see clause 2.5 of the HoldCo Shareholders' Deed and rule 3.7 of the HoldCo Constitution.</p>
Dividends	<p>Subject to the Corporations Act, a decision to pay, and the amount of, dividends will be at the sole discretion of the HoldCo Board. Class B Shareholders will be entitled to receive their relevant proportion of any dividend on the Class B Shares declared by the HoldCo Board.</p> <p>Certain members of the Bidder Group will be entering into arrangements with financial institutions that contain covenants restricting them from declaring or paying a dividend except in limited circumstances.</p> <p>For further details, see clause 7 of the HoldCo Shareholders' Deed and rule 3 of the HoldCo Constitution.</p>
Appointment of HoldCo directors	<p>The HoldCo Board must be constituted by a minimum of three directors and a maximum of 10 directors, unless otherwise determined by the TPG Shareholders. The TPG Shareholders may appoint, remove and replace all directors to the HoldCo Board.</p> <p>Class B Shareholders will not have the right to appoint, remove or replace a HoldCo director.</p> <p>The chairperson will be appointed as a director of HoldCo and will have a casting vote.</p> <p>For further details, see clause 3 of the HoldCo Shareholders' Deed.</p>
HoldCo Board quorum and voting	<p>The quorum for a HoldCo Board meeting will be two TPG Directors. If a quorum is not present within 60 minutes of the time set for the meeting, the meeting is adjourned to the same time and place two business days later.</p> <p>Subject to below, at a meeting of the HoldCo Board:</p> <ul style="list-style-type: none">o each director has one vote; ando the chairperson will have a casting vote. <p>Subject to applicable law and the terms of the HoldCo Shareholders' Deed, all actions or resolutions of the HoldCo Board will be made by simple majority resolution of HoldCo directors, being:</p> <ul style="list-style-type: none">o HoldCo directors that together hold more than 50% of the total voting rights of all directors who attend the relevant HoldCo Board meeting and who are entitled to vote on the relevant resolution; oro a written resolution, which is passed if the form of proposed resolution is given to all directors and a majority of directors entitled to vote on the resolution sign in favour of the resolution, <p>(as the case may be).</p> <p>For further details, see clause 4 of the HoldCo Shareholders' Deed.</p>
HoldCo shareholder meetings and voting	<p>The quorum for a HoldCo shareholders' meeting will be the TPG Shareholders. Each Class B Shareholder is entitled to the number of votes equivalent to the number of fully paid up HoldCo shares held by it.</p> <p>Except in the case of any resolution which as a matter of law requires a special resolution, questions arising at a general meeting are to be decided by a majority of votes cast by the HoldCo shareholders present at the meeting and any such decision is for all purposes a decision of the HoldCo shareholders.</p> <p>HoldCo shareholders may pass a resolution without a general meeting being held if HoldCo shareholders holding more than half of the HoldCo shares entitled to be voted on the resolution sign the same document (or a copy of the same document), which was sent to all HoldCo shareholders containing a statement that they are in favour of that resolution. If a special resolution is required as a matter of law, then this threshold is HoldCo shareholders holding more than three quarters of the HoldCo shares entitled to be voted on the resolution. The resolution is taken to have passed on the date that the last HoldCo shareholder required to reach the relevant approved threshold signs the document.</p> <p>For further details, see clause 5 of the HoldCo Shareholders' Deed.</p>

Topic	Overview
Issue of further HoldCo shares	<p>HoldCo must first offer any new shares in HoldCo to all Class A Shareholders and Class B Shareholders on a pro rata basis, except for certain issues including the issue of:</p> <ul style="list-style-type: none"> o HoldCo shares to the TPG Shareholders or an affiliate of the TPG Shareholders as part of emergency funding provided (provided that after the emergency funding is given to HoldCo, all other HoldCo shareholders have the opportunity to subscribe for such number of HoldCo shares such as to retain their pro rata holding prior to the emergency funding); o HoldCo shares in connection with the Scheme; o HoldCo shares in connection with any dividend reinvestment plan operated by HoldCo; o Class C Shares to a manager (or an affiliate of a manager), directors, advisers to and/or employees and/or affiliates of the TPG Shareholders (as provided for in the HoldCo Shareholders' Deed); o Class M Shares to a manager pursuant to any management equity plan to be established by HoldCo; o HoldCo shares (including a new class of shares) as consideration for, or to raise funding for, a bona fide, arm's length acquisition or merger with, or the acquisition of a company, business or assets by a HoldCo Group Company; o HoldCo shares to a strategic partner, provided that the relevant proportion of each Class A Shareholder and Class B Shareholder is diluted proportionally and, immediately following the issue of HoldCo shares, the TPG Shareholders continue to hold at least 50.01% of the shares on issue; and o HoldCo shares pursuant to an IPO (including a "pre-IPO" round issue of shares shortly before an IPO). <p>Any HoldCo shareholder's right to be offered and/or to subscribe for HoldCo shares are subject to those rights not requiring HoldCo to issue a disclosure document (including a prospectus) or a product disclosure statement, undertake any registration or filing with any Government Agency or take any comparable action, whether under Chapter 6D or Chapter 7 of the Corporations Act or any comparable legislation in any other jurisdiction, unless HoldCo (with the HoldCo Board's approval) agrees otherwise.</p>
Restrictions on dealing	<p>For further details, see clause 8 of the HoldCo Shareholders' Deed.</p> <p>A Class B Shareholder cannot dispose of, or deal with, their Class B Shares except:</p> <ul style="list-style-type: none"> o with the prior written consent of the TPG Shareholders; o if the Class B Shareholder transfers all or any of its Class B Shares: <ul style="list-style-type: none"> o to a permitted transferee (as provided for in the HoldCo Shareholders' Deed); or o in accordance with the terms of any agreement between HoldCo and the Class B Shareholder dated before the date of the HoldCo Shareholders' Deed; o pursuant to the drag along process or the tag along process (see "Drag along rights" and "Tag along rights" below); o pursuant to an exit event (see "Exit" below); o pursuant to a compulsory transfer and selective buyback mechanism under the "Small Holdings" mechanism (see "Compulsory Acquisition" below); or o to the Nominee (see "Nominee arrangements" below). <p>If a transferee ceases to be a permitted transferee, they must transfer back their Class B Shares to the original transferor (or another permitted transferee of the transferor).</p> <p>For further details, see clause 10 of the HoldCo Shareholders' Deed.</p>



9 Information about TPG and the Bidder Group

continued

Topic	Overview
Drag along rights	<p>If a TPG Shareholder wishes to sell all or a proportion of its Class A Shares to a Buyer (as defined in the HoldCo Shareholders' Deed), the TPG Shareholder may require some or all of the Class B Shareholders to sell at least the same proportion of their Class B Shares on terms that are not materially less favourable on an overall basis than the terms offered to all other Class B Shareholders.</p> <p>Class B Shareholders must provide all consents and approvals, do all things and execute such documentation as is reasonably necessary or required by the TPG Shareholder to effect the proposed sale (including, if required by the TPG Shareholder, the conversion of their Class B Shares into Class A Shares).</p> <p>For further details, see clause 11 of the HoldCo Shareholders' Deed.</p>
Tag along rights	<p>If the TPG Shareholders intend to sell all of their Class A Shares to a Buyer (as defined in the HoldCo Shareholders' Deed) in a single transaction or series of related transactions and have not issued a drag along notice (or have withdrawn a drag along notice), the Class B Shareholders must be invited to sell all of their HoldCo shares on terms that are not materially less favourable on an overall basis than the terms offered to all other Class B Shareholders.</p> <p>Class B Shareholders must do all things and execute such documentation as is reasonably necessary or required by the TPG Shareholders to effect the proposed sale (including, if required by the TPG Shareholders, the conversion of their Class B Shares into Class A Shares).</p> <p>The TPG Shareholders may require the Class B Shareholders who exercise their tag along rights (and their Representative) to give reasonable representations, warranties, indemnities and restrictive covenants under any agreements relating to the purchase of their Class B Shares, the business of the HoldCo Group, or the HoldCo Group provided that:</p> <ul style="list-style-type: none">o they are given on an equivalent basis to those given by the TPG Shareholders;o they are given on a several (but not joint) basis; ando the liability of each Class B Shareholder that exercises its tag along rights (and its Representative, if applicable) arising from a breach of any such representations and warranties is limited to the proportion of the consideration actually received by the Class B Shareholder (and its Representative, if applicable). <p>For further details, see clause 12 of the HoldCo Shareholders' Deed.</p>

Topic	Overview
Exit Events	<p>The TPG Shareholders may, at any time, require HoldCo to commence, or procure that another HoldCo Group Company commences, a process to determine whether an Exit Event can be achieved on terms acceptable to the TPG Shareholders.</p> <p>The TPG Shareholders will determine all matters related to the conduct and execution of a process for an Exit Event.</p> <p>Each Class B Shareholder must do certain things in connection with an Exit Event, including:</p> <ul style="list-style-type: none"> o co-operate in good faith with the other shareholders and HoldCo in connection with an actual or potential Exit Event (whether arising from a process to determine whether an Exit Event can be achieved or otherwise, and, for the avoidance of doubt, including an actual or potential Exit Event to which a Drag Notice or an Invitation to Tag relates); o use reasonable efforts and promptly take all action within its power to facilitate and/or implement any actual or potential Exit Event in accordance with the directions of the Company or the TPG Shareholder (including by promptly providing such information as may be requested by the Company or the TPG Shareholder); o act in good faith to rollover a portion of their Class B Shares or reinvest a portion of their proceeds of the Exit Event in connection with any IPO (such portion to be determined by the TPG Shareholders having regard to appropriate factors at the time, including the advice of the underwriters, joint lead managers and financial advisers (as applicable)); o act in good faith to sell down or retain on an IPO such interests in HoldCo (or the entity being listed, which may be a new holding company) as determined by the TPG Shareholders having regard to appropriate factors at the time, including the advice of the underwriters, joint lead managers and financial advisers (as applicable); o give all reasonable undertakings and enter into any reasonable escrow arrangements in relation to their Class B Shares as may reasonably be required by the relevant securities exchange or underwriters or brokers to an IPO (provided such escrow arrangements are no less favourable than those agreed to by the TPG Shareholders); o if recommended by the underwriters, joint lead managers or financial adviser in relation to an IPO, do all things reasonably necessary to effect a change in the number and mix of Class B Shares issued by HoldCo (or another HoldCo Group Company); o assist HoldCo in preparing a prospectus, information memorandum, or similar disclosure document; o do all things reasonably necessary to obtain requisite securities exchange and shareholder approvals; o enter into an underwriting or offer management agreement or similar agreement on market terms; o provide all reasonable assistance for marketing activities, including road shows; o approve or agree to (including by executing documents) certain matters, such as: confidentiality restrictions, such covenants, warranties, indemnities and undertaking given by the TPG Shareholders, the conversion of HoldCo to a listed public company in connection with an IPO, the adoption a new constitution for HoldCo, entry into a new shareholders' agreement for HoldCo or a new holding company, changes to the HoldCo share capital or a new holding company, and other restructure or preparatory steps, and the transfer of Class B Shares; and o take all actions reasonably required by HoldCo in order to affect a buy back, exchange or conversion of some or all of their Class B Shares (which may involve the exchange of Class B Shares for securities in a different entity which may be listed). <p>An Exit Event may not necessarily involve all HoldCo shareholders having the right or ability to realise cash for their Class B Shares. To the extent that an Exit Event does allow a HoldCo shareholder to realise cash for some or all of their Class B Shares, it may not be on the same terms as the Class A Shareholders (including any escrow restrictions).</p> <p>For further details, see clause 13 of the HoldCo Shareholders' Deed.</p>



9 Information about TPG and the Bidder Group

continued

Topic	Overview
Compulsory acquisition	<p>At any time after the first anniversary of the Implementation Date, one or more TPG Shareholders (in such capacity, the Acquiring Shareholders) may give written notice to HoldCo that they wish to acquire any or all of the Small Holdings of Class B Shareholders (Small Shareholders). A Small Holding is a shareholding in HoldCo valued at less than \$10,000.</p> <p>The sale price for a Small Holding will be the fair value of those shares. The fair value will be determined by the HoldCo Board in good faith. The Acquiring Shareholders may specify any other terms that apply to the acquisition (including the proposed settlement date).</p> <p>If the Acquiring Shareholders agree, HoldCo may acquire the shares held by the Small Shareholders by way of buy back or cancellation, as directed by HoldCo by notice to the Small Shareholders.</p> <p>If the Acquiring Shareholders make such an election, the Small Shareholders must do all things necessary to ensure that the Acquiring Shareholders or HoldCo (as applicable) may acquire any Small Holdings, including by taking any action or signing any document as required by the TPG Shareholders (in the case of compulsory transfer) or the Company (in the case of a buy back or cancellation).</p> <p>For further details, see clause 15 of the HoldCo Shareholders' Deed.</p>
Nominee arrangements	<p>A Class B Shareholder must hold legal title to their Class B Shares through the Nominee.</p> <p>The intention of the nominee arrangements is that a Class B Shareholder will still have the rights as set out in this table, as if the Class B Shareholder was holding the Class B Shares directly. That is, the voting, economic and other interests of the Class B Shareholder is intended to be unaffected by the Class B Shares being held by the Nominee.</p> <p>Clause 16 of the HoldCo Shareholders' Deed sets out the terms on which this intention is to be achieved, including how the provisions in the HoldCo Shareholders' Deed and the definitions therein are intended to operate where a Class B Shareholder holds Class B Shares through the Nominee.</p> <p>Specifically, each Class B Shareholder will continue to have the benefit of, and be bound by, all the provisions of the HoldCo Shareholders' Deed, which would have otherwise applied to that Class B Shareholder had it held legal title to their Class B Shares and Class B Shares directly.</p> <p>The key terms of the nominee arrangements under the Nominee Deed and the HoldCo Shareholders' Deed are as follows:</p> <ul style="list-style-type: none">o each Class B Shareholder will be a beneficial holder in relation to shares held by the Nominee as bare trustee on its behalf;o each Class B Shareholder will be able to instruct the Nominee to exercise voting rights or take other steps as the registered holder of shares on its behalf;o under the HoldCo Shareholders' Deed, each Class B Shareholder who is a beneficial holder directs HoldCo to pay dividends in respect of its Class B Shares directly to the Class B Shareholder as beneficial holder;o there will be no meetings of the beneficial holders; ando the restrictions on transfer set out above continue to apply to the Class B Shareholders that are beneficial holders. However, a beneficial holder may transfer shares to a permitted transferee on the basis that the nominee is directed to hold legal title to the relevant shares as bare trustee on behalf of the transferee, unless the HoldCo Board agrees otherwise. <p>Under the terms of the Nominee Deed, HoldCo will undertake to the Nominee that it will dispatch or make available any notice of meeting of Class B Shareholders to the beneficial holders of the Class B Shares, and the Nominee must, to the extent reasonably practicable, vote at any such meeting as directed by an instruction given by the underlying beneficial holder of Class B Shares. To the extent the Nominee considers that it is unable to act on an instruction given by a beneficial holder, the nominee must promptly (and within two business days) notify the relevant beneficial holder and seek a withdrawal of the instruction, or re-issue or clarify the instruction.</p> <p>For further details, see clause 16 of the HoldCo Shareholders' Deed.</p>

Topic	Overview
Information rights and confidentiality	<p>HoldCo must prepare an annual financial report and directors' report for each financial year. A Class B Shareholder may request in writing a copy of the financial report or directors' report for a given financial year, and HoldCo must provide that report within seven days of such request.</p> <p>All HoldCo shareholders will be bound by certain confidentiality obligations under the HoldCo Shareholders' Deed. These will apply to a HoldCo shareholder even after it ceases to hold HoldCo shares.</p> <p>For further details, refer to clauses 6.2 and 17 of the HoldCo Shareholders' Deed.</p>
Amendment of the HoldCo Shareholders' Deed	<p>The TPG Shareholders may amend the HoldCo Shareholders' Deed without the approval of HoldCo or the non-TPG shareholders, except where the amendment prejudices a class of HoldCo shareholders (e.g. the Class B Shareholders) in a manner that is materially and adversely disproportionate as compared to the TPG Shareholders. In such a case, the consent of the affected shareholders holding more than 75% of the relevant class of shares is required for the amendment.</p> <p>For further details, see clause 24.1 of the HoldCo Shareholders' Deed.</p>



9 Information about TPG and the Bidder Group

continued

d) Different regulatory regime for Class B Shares

A different regulatory regime will apply to Class B Shares as compared to InvoCare Shares at present. Class B Shares will be issued to Scheme Shareholders who make a valid Election to receive Scrip Consideration (with these shares to be held by the Nominee), subject to the Minimum Scrip Threshold,¹⁰⁵ the Maximum Scrip Threshold and the application of the Scaleback Mechanism. As HoldCo is, and will be, an unlisted public company with less than 50 shareholders following implementation of the Scheme, neither the Listing Rules nor Australia's takeover regime under the Corporations Act will apply.

The effect is that investor protections currently available to InvoCare Shareholders in respect of their InvoCare Shares under the Listing Rules and Chapter 6 of the Corporations Act will not apply to those Scheme Shareholders who receive Scrip Consideration.

A summary of some of the key types of investor protections that will no longer apply is set out in the table below. The summary is not exhaustive:

InvoCare Shares and InvoCare at present		Class B Shares and description of lost protections following implementation
Continuous Disclosure (Listing Rules – Chapter 3)	This Chapter contains obligations on listed entities to immediately disclose material price sensitive information to the market.	Neither HoldCo nor BidCo will have an obligation to disclose material price sensitive information following implementation of the Scheme.
Securities (Listing Rules – Chapter 6)	This Chapter provides that each class of equity security must be appropriate and equitable in the ASX's view. It also provides protections in relation to voting rights of holders of ordinary shares.	The terms of the Class B Shares are not subject to the ASX's approval.
Changes in capital and share issues (Listing Rules – Chapter 7)	This Chapter requires issuers who issue more than 15% of a listed entity's capital in a 12 month period to seek security holder approval, subject to certain exceptions. It also imposes limits on the ability of listed entities to issue shares under a rights issue, dividend or distribution plan or during a takeover unless prescribed conditions are met.	Holders of Class B Shares may be diluted without the approval of HoldCo shareholders at a general meeting.
Transactions with persons of influence (Listing Rules – Chapter 10)	This Chapter imposes restrictions on persons in a position of influence, such as related parties, a subsidiary or a substantial holder, from entering into certain transactions with the listed entity unless certain conditions are met. In prescribed cases, transactions of this nature will require shareholder approval.	Transactions between HoldCo, InvoCare and/or their related parties may not require shareholder approval, unless shareholder approval is required pursuant to Chapter 2E of the Corporations Act.
Significant transactions (Listing Rules – Chapter 11)	This Chapter requires a listed entity to obtain the approval of shareholders in certain circumstances (and where required by the ASX), if it proposes to make a significant change to the nature or scale of its activities.	A significant change to the operations of HoldCo and/or InvoCare will not require shareholder approval.
Takeovers (Corporations Act – Chapter 6)	<p>This Chapter sets out Australia's takeover regime. This regime is supplemented by ASIC regulatory guides and guidance notes issued by the Takeovers Panel.</p> <p>Chapter 6 prohibits a person from acquiring relevant interests in a listed company's shares where it would have the effect of causing the person's or someone else's voting power in the company to increase from 20% or below to above 20% or from a starting point of above 20% and below 90% unless an exception, such as a takeover bid or scheme of arrangement, applies.</p> <p>The takeover regime in Chapter 6 contains a range of rules designed to provide investors with sufficient time and detailed disclosure requirements relating to a takeover bid so that they may assess the offer put to them by the bidder.</p> <p>In addition, the takeover regime in Chapter 6 includes rules designed to provide for shareholders in a company which is the subject of a takeover to have an equal opportunity to participate in the offer and any takeover premium offered by the bidder.</p>	<p>A person may acquire control of HoldCo, BidCo or InvoCare in a manner that would have not been permitted had Chapter 6 of the Corporations Act applied, for example without making a takeover bid or proposing a scheme of arrangement.</p> <p>A person may acquire control of HoldCo, BidCo or InvoCare in circumstances where less information was disclosed to Class B Shareholders or where less time was given to them to assess the offer put to them about the control transaction, than would have been permitted had Chapter 6 of the Corporations Act applied.</p> <p>A person may acquire control of HoldCo, BidCo or InvoCare in a manner that does not give shareholders equal opportunity to participate in the offer and any takeover premium offered by the bidder.</p>

¹⁰⁵ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.

9.5 Funding the Scheme Consideration

a) Maximum Cash Consideration

If the Scheme becomes Effective, the Scheme Consideration payable to Scheme Shareholders under the Scheme will be satisfied by a combination of the payment of the Cash Consideration and the issue of such number of Class B Shares the subject of valid Elections (subject to the Minimum Scrip Threshold,¹⁰⁶ Maximum Scrip Threshold, and any application of the Scaleback Mechanism).

Based on the number of InvoCare Shares on issue as at the Last Practicable Date, the maximum amount of Cash Consideration BidCo may be required to pay to Scheme Shareholders under the Scheme is approximately \$1.479 billion (assuming the Scheme Consideration is 100% Cash Consideration, no Scrip Consideration is issued, and the Special Dividend is not paid) (**Maximum Cash Consideration**).

As set out in Section 9.4a), (i) the Rolling InvoCare Executives have agreed to make a valid Election for Scrip Consideration in respect of at least 50% of certain InvoCare Shares they will receive on the acceleration of certain Share Rights and/or Performance Rights that they hold; and (ii) BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections. If no other InvoCare Shareholders other than the Rolling InvoCare Executives make a valid Election for Scrip Consideration, the maximum amount of Cash Consideration BidCo may be required to pay to Scheme Shareholders under the Scheme is approximately \$1.476 billion (assuming the Special Dividend is not paid).

The Scheme is not subject to any financing condition precedent.

b) Cash funding arrangements

BidCo intends to fund the Cash Consideration with a combination of equity and debt funding. As detailed below, BidCo will fund the Cash Consideration through equity committed by TPG Asia VII and TPG Asia VIII, as well as third party debt financing.

i) Equity commitments

BidCo has Equity Commitment Letters from each of TPG Asia VII and TPG Asia VIII (each an **Equity Commitment Party**), under which the Equity Commitment Parties commit to provide BidCo an aggregate amount of up to \$990.8 million (**Equity Financing**).

The Equity Financing may only be used for the purpose of BidCo meeting its obligations to pay:

- o part of the Cash Consideration under the Scheme; or
- o the Reverse Break Fee,

in each case, as when and if, those obligations become due in accordance with the relevant documents.

The Equity Financing is, together with the debt funding arrangements outlined in Section 9.5b)(ii), sufficient to fund the Maximum Cash Consideration.

The obligation on the Equity Commitment Parties to provide the Equity Financing for the purpose of BidCo paying part of the Cash Consideration under the Scheme is conditional on the satisfaction or waiver (as applicable) of each of the conditions of the Scheme Implementation Deed.

The Equity Commitment Parties are obliged to provide the Equity Financing for the purpose of BidCo paying the Reverse Break Fee where that fee is payable under the Scheme Implementation Deed.

Each Equity Commitment Party must provide its relevant proportion of the Equity Financing except where the conditions are not satisfied, or the relevant Equity Commitment Letter is terminated in accordance with its terms

The terms of the Equity Commitment Letters provide that InvoCare (subject to BidCo being obliged to pay the Reverse Break Fee or the Aggregate Cash Consideration, in each case in accordance with the terms of the Scheme Implementation Deed) may enforce the terms of the Equity Commitment Letters.

ii) Debt funding

BidCo has entered into a binding debt commitment letter with, amongst others, the Lenders dated 9 August 2023 (**Debt Commitment Letter**). Under the Debt Commitment Letter, the Lenders have agreed to provide, amongst other syndicated facilities, a senior secured syndicated facility to BidCo (**Syndicated Acquisition Facility**).

The proceeds that will be available to BidCo under the Syndicated Acquisition Facility, together with the Equity Funding, are in excess of the amount that is required to fund the Maximum Cash Consideration.

The proceeds under the Syndicated Acquisition Facility will be available to BidCo for the purpose of:

- o funding part of the purchase price for the acquisition of Scheme Shares;
- o refinancing of certain existing debt facilities of the InvoCare Group; and
- o paying certain costs and expenses incurred in connection with the Scheme and associated transactions.

The funding of the Syndicated Acquisition Facility will be subject to the satisfaction of certain conditions precedent, which are customary for facilities of this kind and include confirmation that:

- o completion of the acquisition of the Scheme Shares has occurred or will occur on the date of initial drawdown of the Syndicated Acquisition Facility in accordance with the Scheme Implementation Deed;

¹⁰⁶ See Section 9.4a) regarding BidCo's current intentions in relation to the Minimum Scrip Threshold.



9 Information about TPG and the Bidder Group

continued

- o all material authorisations required to complete the acquisition of the Scheme Shares have been obtained and all conditions precedent to implementation of the Scheme have been, or will on the date of the first drawdown under the Syndicated Acquisition Facility be, satisfied or waived;
- o there has been no termination of, amendment to, or waiver under the Scheme Implementation Deed which is materially prejudicial to the interests of the financiers without the prior written consent of the financiers (not to be unreasonably withheld); and
- o execution of definitive long-form syndicated facility documentation (and related definitive financing documentation) has occurred as described below.

It is expected that as of the Second Court Date, the Debt Commitment Letter will be superseded by a definitive long-form syndicated facility agreement and related definitive financing documentation among the parties to the Debt Commitment Letter. The material terms and conditions of such financing documents are specified in the Debt Commitment Letter.

It is expected that the abovementioned conditions precedent will be satisfied before the Second Court Date (other than certain conditions which are intended to be satisfied concurrently with, or prior to, the first drawdown under the Syndicated Acquisition Facility on the Implementation Date, including the payment of fees and expenses).

If all of the conditions precedent are satisfied or waived, then subject to the provisions set out in the paragraph below and provided that it is not unlawful for the Lenders to do so, the Lenders must provide the funds for their portion of the commitment under the Syndicated Acquisition Facility. As at the Last Practicable Date, BidCo is not aware of any reason why any of the conditions precedent will not be satisfied, and are confident they will be satisfied, in time to allow payment in full of the aggregate Scheme Consideration for the Scheme Shares as and when due under the terms of the Scheme.

The availability of the Syndicated Acquisition Facility is subject to the correctness of certain representations and that certain events of default have not occurred and are not subsisting. As at the Last Practicable Date, BidCo is not aware of the occurrence of any misrepresentation or event of default or any circumstance that would lead to any misrepresentation or an event of default or which would give rise to a right to the financiers to terminate the applicable facilities.

The representations and warranties to be given by BidCo in relation to the Syndicated Acquisition Facility are customary for a facility of this nature. As at the Last Practicable Date, BidCo is not aware of any breach of a representation or warranty, or any circumstance that would lead to a breach of representation or warranty.

As at the Last Practicable Date, BidCo is not aware of any reason why the Syndicated Acquisition Facility will not be available to be drawn down for the purposes of acquiring the Scheme Shares as contemplated by the Scheme.

c) Scrip Consideration

BidCo and HoldCo have entered into the Deed Poll to covenant in favour of the Scheme Shareholders to perform their respective obligations in relation to the Scheme. This includes the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme, including to issue all Class B Shares the subject of valid Elections by the Scheme Shareholders under the terms of the Scheme.

d) Reasonable basis

On the basis of the arrangements outlined above, BidCo believes it has a reasonable basis for holding the view, and it does hold the view, that BidCo will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

9.6 Intentions if the Scheme is implemented

a) Introduction

If the Scheme is implemented, BidCo will become the holder of all of the InvoCare Shares on issue and, accordingly, InvoCare will become a wholly owned subsidiary of BidCo.

This Section 9.6 sets out the intentions of BidCo in relation to the continuation of the InvoCare business, any major changes to the business, and the future employment of the present employees of InvoCare and any redeployment of the fixed assets of InvoCare, in each case if the Scheme is implemented. The intentions of BidCo are the same as the intentions of each Bidder Group Member, TPG and the TPG Shareholders.

The statements made in this Section 9.6 are statements of present intention only and are based on the information concerning InvoCare (including certain non-public information made available by InvoCare to BidCo prior to the entry into the Scheme Implementation Deed), and the general business environment which is known to BidCo as at the Last Practicable Date.

If the Scheme is implemented, BidCo intends to undertake a detailed review of the business' assets and operations. BidCo will only make final decisions following the completion of its review of the business and based on the facts and circumstances at the relevant time. Accordingly, statements set out in this Section 9.6 are statements of present intention only, which may change as new information becomes available or circumstances change.

b) Removal from the ASX

If the Scheme is implemented, BidCo will direct that InvoCare apply to the ASX for InvoCare to be removed from its official list after the Implementation Date and subsequently converted to a proprietary company limited by shares.

c) Employees

InvoCare is a people-driven business, with a talented, caring and motivated front-line workforce delivering best-in-class care to grieving families. BidCo intends to undertake a review of InvoCare's business post implementation to ensure InvoCare has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities.

d) Directors

Pursuant to clause 6.6 of the Scheme Implementation Deed, the InvoCare Board will be reconstituted with effect on and from the Implementation Date. As at the date of the Scheme Booklet, the directors of InvoCare after the Implementation Date have not been determined.

e) Changes to InvoCare's constitution

BidCo intends to replace InvoCare's constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in Section 9.6b)) to convert InvoCare into a proprietary company limited by shares following implementation.

f) Business, operations and assets

Subject to the findings of the post implementation review referred to in Section 9.6a), BidCo's current intention is to continue to operate the business substantially in its current form in the near term. As noted in Section 9.6a) above, BidCo intends to undertake a fulsome review of InvoCare's business and operations to determine the best way to operate the business going forward and provide this additional support. Any further decisions around the future of InvoCare and intentions for the InvoCare business will be made after, and informed by, the results of the review.

TPG intends to enter into arrangements with HoldCo in respect of time and resources TPG spends working with HoldCo. These arrangements have not yet been determined. Such work may include, but is not limited to, TPG's ongoing monitoring and management of its investment in HoldCo and transactions on which the TPG provides management and/or advisory services. Any such arrangements shall be made on terms which are commercial and at arm's length and consistent with market practice in the context of private equity.

BidCo does not intend to redeploy any of InvoCare's fixed assets.

Consistent with usual private equity practice, the TPG Shareholders may seek to exit their investment in InvoCare in the future. This is subject to prevailing market conditions, the business' performance and other factors which may be considered relevant at the time.

9.7 Additional information about TPG and Bidder Group

a) Interests in InvoCare Shares

i) Voting power and relevant and economic interests

As at the Last Practicable Date:

- o the voting power of BidCo and its associates in InvoCare is 19.175% (being 27,623,729 InvoCare Shares);
- o Blue Eternal¹⁰⁷ has:
 - o a relevant interest in:
 - 14,381,667 InvoCare Shares (equal to 9.983% of the InvoCare Shares), being InvoCare Shares that Blue Eternal is the registered holder of; and
 - 13,242,062 InvoCare Shares (equal to 9.192% of the InvoCare Shares), pursuant to a total return swap entered into with UBS AG, Australia Branch (**UBS**) that can be physically or cash settled (the **UBS Swap**); and
 - o an economic interest in 1,164,011 InvoCare Shares (equal to 0.808% of the InvoCare Shares) pursuant to a cash settled total return swap entered into with Credit Suisse AG, Singapore Branch (**Credit Suisse**) (the **Credit Suisse Swap**); and
- o BidCo and its associates, other than Blue Eternal, do not have a relevant interest in any InvoCare Shares.

ii) UBS Swap

Blue Eternal has the right to elect physical or cash settlement of the UBS Swap. Prior to the Implementation Date, Blue Eternal currently intends to elect to physically settle the UBS Swap in accordance with its terms.

Following receipt of those InvoCare Shares, Blue Eternal currently intends to transfer them to BidCo prior to the Implementation Date.

BidCo and Blue Eternal are Excluded Shareholders. Both BidCo and Blue Eternal intend to abstain from voting any InvoCare Shares they hold on the Meeting Record Date on the Scheme.

¹⁰⁷ Blue Eternal is a Singapore private company incorporated on 13 January 2022 for the purpose of acquiring an interest in InvoCare. Blue Eternal has no trading history, assets (other than InvoCare Shares), or liabilities (other than contingent liabilities under the Swaps).



9 Information about TPG and the Bidder Group

continued

iii) Credit Suisse Swap

The Credit Suisse Swap is a cash settled instrument – it does not provide Blue Eternal with the right to require physical settlement. The Credit Suisse Swap is still outstanding for the full quantum. As at the Last Practicable Date, Blue Eternal has not entered into any agreement, arrangement or understanding with Credit Suisse Swap counterparty or any other person in relation to physical settlement of the Swap. Blue Eternal currently intends to cash settle the Credit Suisse Swap before or concurrently with implementation of the Scheme.

b) Dealings in InvoCare Shares in the previous four months

Neither BidCo nor any of its associates has provided, or agreed to provide, consideration for InvoCare Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet except for the Scheme Consideration, which BidCo and HoldCo have agreed to provide under the Scheme (as reflected in the Scheme Implementation Deed and Deed Poll).

c) Inducing benefits given during the previous four months

Neither BidCo nor any of its associates have, during the period of four months before the date of this Scheme Booklet, given, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or an associate to:

- o vote in favour of the Scheme; or
- o dispose of InvoCare Shares,

where the benefit was not offered to all InvoCare Shareholders under the Scheme.

As set out in Section 7.2d), HoldCo is a party to the Retention Agreement Letter Deeds with the Rolling InvoCare Executives and InvoCare. As part of the Retention Agreement Letter Deeds, HoldCo has agreed to purchase each Rolling InvoCare Executive's Class B Shares in the circumstances outlined in Section 7.2d). BidCo does not consider that the Rolling InvoCare Executives have been given a benefit that is likely to induce them or an associate to vote in favour of the Scheme or dispose of InvoCare Shares.

d) Benefits to InvoCare officers

Neither BidCo nor any of its associates will be making any payment or giving any other benefit to any current InvoCare director or officer as compensation or consideration for, or otherwise in connection with, their resignation from their office if the Scheme becomes Effective, other than:

- o as required under the relevant person's employment contract with InvoCare; and
- o to Mr Chretien pursuant to Mr Chretien's rights under his Retention Agreement Letter Deed in the circumstances outlined in Section 7.2d).

e) No Bidder Group Member director interests in InvoCare Shares

As at the Last Practicable Date, none of the directors of any Bidder Group Member have a relevant interest in any InvoCare Shares.

f) No other agreements or arrangements

Other than the Retention Agreement Letter Deeds, to which HoldCo is a party (see Section 7.2d)), neither the TPG Shareholders, any Bidder Group Member nor their associates have entered into or agreed any agreement or arrangement with an InvoCare Shareholder in connection, with or conditional on the outcome of, the Scheme.

g) Disclosure of interests and fees of certain people

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no:

- o director or proposed director of HoldCo; or
- o person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet,

holds, or held at any time during the last two years, any interests in:

- o the formation or promotion of HoldCo;
- o property acquired or proposed to be acquired by HoldCo in connection with its formation or promotion or the offer of Class B Shares under the Scheme; or
- o the offer of Class B Shares under the Scheme.

h) Fees and benefits

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no one has paid or agreed to pay any amount, or given or agreed to give any benefit to a director, or proposed director, of HoldCo:

- o to induce them to become, or qualify as, a director of HoldCo; or
- o for services provided in connection with the formation or promotion of HoldCo or the offer of Class B Shares under the Scheme.



SECTION 10

**Investment risk /
What if the Scheme is
not implemented?**



10 Investment risk / What if the Scheme is not implemented?

10.1 Introduction

The Scheme presents a number of potential risks that InvoCare Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax profile or particular needs.

This Section outlines some of the:

- o risks relating to the business and operations of InvoCare, including your current investment in InvoCare Shares (see Sections 10.2 and 10.3);
- o risks relating to Class B Shares (see Section 10.4); and
- o risks relating to the Scheme (see Section 10.5).

If the Scheme is implemented, the risks in Sections 10.2, 10.3 and 10.4 will not apply to InvoCare Shareholders who do not elect to receive Scrip Consideration and instead receive the All Cash Consideration, as they will not hold Class B Shares. The risk factors in Section 10.2, 10.3 and 10.4 will apply to InvoCare Shareholders who elect to receive a Scrip Consideration Option, as they will hold Class B Shares.

If the Scheme is not implemented, InvoCare Shares will remain quoted on the ASX and all InvoCare Shareholders will continue to be subject to the risks in Sections 10.2 and 10.3.

The outline of risks in this Section 10 is a summary only and should not be considered exhaustive. This Section 10 does not purport to list every risk that may be associated with an investment in InvoCare now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 10 may be partially or completely outside the control of InvoCare and BidCo or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of InvoCare Shareholders. Before making any Election for a Scrip Consideration Option, you should have a sufficient understanding of these matters having regard to your own individual risk profile, portfolio strategy, investment objectives, financial circumstances and taxation position.

You should carefully consider the risk factors discussed in this Section 10, as well as the other information contained in this Scheme Booklet before voting on the Scheme

10.2 General investment risk

InvoCare Shares and future distributions made to InvoCare Shareholders may be influenced by a number of macroeconomic factors including:

- o changes in investor sentiment and overall performance of the Australian and international stock markets;
- o changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, wage rates, property markets including rising building costs, house prices and residential supply and demand, population growth, retail sales and consumer demand;
- o the ongoing global impact of the COVID-19 pandemic, and the continuously developing advice and responses from health and regulatory authorities;
- o changes in government fiscal, monetary and regulatory policies, including foreign investment and immigration;
- o the impact of recent trends of rising rates of inflation globally;
- o natural disasters and catastrophes, whether on a global, regional or local scale; and
- o accounting standards which affect the financial performance and position reported by InvoCare.

10.3 Risk factors relating to the business and operations of InvoCare

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which InvoCare operates, which could materially and adversely affect the future operating and financial performance of InvoCare.

Many of these risks are currently relevant to InvoCare Shareholders and will continue to be relevant to InvoCare Shareholders if:

- o the Scheme does not become Effective and you retain your current investment in InvoCare; or
- o the Scheme becomes Effective and you have made a valid Election for a Scrip Consideration Option, so that you receive Class B Shares which gives you indirect exposure to the business of InvoCare through HoldCo's shareholding in BidCo and BidCo's holding of 100% of the shares in an unlisted InvoCare.

a) InvoCare Share price volatility

If the Scheme does not become Effective, InvoCare Shares will remain quoted on the ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions.

If the Scheme does not become Effective, the price at which InvoCare Shares trade may fall.

b) Foreign exchange risk

InvoCare has operations and net investments in many jurisdictions and is exposed to foreign exchange risk arising from currency exposures. InvoCare has measures in place to manage some of that exposure. However, notwithstanding those measures, the movement of foreign exchange rates could still have an adverse effect on InvoCare's operating and financial performance.

c) Market volatility (pertaining to pre-need funding)

InvoCare faces risks associated with investment returns of the funds under management of pre-paid contracts. The majority of the funds under management is placed within the Over Fifty Guardian Friendly Society, on which InvoCare has board representation. The key financial statement impact of this business on the InvoCare Group profit and loss is the movements from the revaluation of pre-paid FUM and pre-paid contract liabilities, the results of which are captured as non-operating profit and loss items.

d) Increased competition

InvoCare operates in a fragmented and competitive industry. InvoCare competes on the basis of a number of factors, including the variety and quality of its products and services, brand recognition, reputation, and price. There is no assurance that competitors or new market entrants in the Australian deathcare industry will not succeed in offering services or products that are more economic or otherwise more desirable than those being offered by InvoCare, which will have negative effects on InvoCare's market position. Any decline in InvoCare's competitive position could adversely affect its market share and lead to a decline in InvoCare's revenue and earnings.

e) Consumer spend and behaviour

Consumer spend for deathcare products and services can be affected by the state of the broader economy, including interest rates, the unemployment rate and consumer and business sentiment. There is a risk that Australian economic conditions worsening may lead to lower spend for InvoCare's premium offerings. Furthermore, InvoCare may be impacted by various changes in consumer behaviour, including an accelerated adoption of digital channels and, preference for no service no attendance funerals. Inability to service evolving consumer trends may result in a loss of InvoCare's competitive position and adversely affect its market share.

f) Climate risk

More frequent and severe weather events and longer-term shifts in climate patterns could result in InvoCare's memorial parks being impaired or locations being damaged, resulting in a potential loss of revenue and increased spend to maintain or repair operations.

g) Fluctuations in death rates

The number of deaths is a key variable which influences the level of activity in the death care industry. As a deathcare provider, InvoCare's activities are exposed to the number of deaths in its operating regions. Therefore, changes to annual death rates may impact InvoCare's funeral case, burial and cremation volumes, resulting in changes to InvoCare's financial performance. Annual death rates are variable and may be influenced by a range of factors including, but not limited to, population demographics, disease and seasonal flu outbreaks, amongst others.

h) Capital expenditure plan

InvoCare has a capital expenditure plan aligned with its strategic objectives. There are natural risks associated with these planned capital expenditures and the returns generated from planned investments. In addition, the risk of unforeseen capital or other expenditure requirements for InvoCare may impact its financial performance.

i) Personnel risk

InvoCare's ability to retain, engage, develop and attract the right employees is critical to its ongoing success. Any tightening labour market forces are an ongoing risk to InvoCare's business and performance, particularly ability to recruit and retain staff with specialised skills (e.g. mortuary personnel). Ensuring senior leadership of InvoCare retains the specific knowledge and experience relevant to InvoCare's operations and industry is also critical to InvoCare's ongoing success. InvoCare may be unable to retain its senior leadership if their expectations regarding remuneration are not met.

j) Cybersecurity / central technology systems risks

InvoCare relies on operational and central technology systems. Despite the measures and plans implemented by InvoCare, cyber-attacks or IT systems could cause operational disruption, personal and sensitive data loss, financial loss, and reputational damage.

k) Availability of funding and service of debt financing

InvoCare has a number of debt facilities in place. Any breach or termination of any debt facility may negatively impact InvoCare's ability to obtain new or renew existing debt finance. This may negatively impact InvoCare's operations and/or financial position and performance.

l) Future dividends

The future payment of dividends (if any) by InvoCare is determined at the discretion of the InvoCare Board and in accordance with the Corporations Act from time to time. This is dependent on several factors such as profitability, capital structure and strategic initiatives of InvoCare.



10 Investment risk / What if the Scheme is not implemented?

continued

m) Changes in laws and regulations

InvoCare's business is influenced and affected by laws, regulations and government policy. Political and/or regulatory change, including (amongst others) changes to cemetery privatisation laws, industry practice standards and employment, could impact InvoCare's current operations or future strategic initiatives.

In particular, Cemeteries and Crematoria NSW (CCNSW) have proposed to regulate the operations of funeral services providers in the State of New South Wales by way of an interment industry scheme. Concerns have been raised as to the unintended consequences of the scheme, including a broad approach to addressing perpetual care. CCNSW has decided to postpone some elements of the scheme for further review in late 2023 due to complexities and seek further consultation with the industry consultation group.

n) Reputational damage

InvoCare's brands are crucial to the assets of the business. As such, the perception of these brands, and InvoCare at large, as being of high quality and credible could be negatively impacted by several factors including:

- o negative press; and
- o product quality issues; and
- o breach of any regulatory requirements

Reputational damage arising from these factors (among others) may impact demand for InvoCare's products and InvoCare's performance.

o) Claims and litigation

As with any business, InvoCare faces a risk of disputes, claims or legal proceedings. Involvement in such disputes, claims or legal proceedings could disrupt InvoCare's operations, lead to significant legal costs being incurred, and impede management's ability to focus on day-to-day operations.

10.4 Risk factors relating to Class B Shares

This Section 10.4 sets out some of the key risks relating to Class B Shares which are known to BidCo as at the Last Practicable Date. These risks will only apply to Scheme Shareholders who receive Scrip Consideration.

a) Risks associated with an investment in HoldCo post implementation of the Scheme

Scheme Shareholders who make a valid Election for Scrip Consideration should consider a number of risks that can be broadly classified as risks specific to an investment in Class B Shares post implementation of the Scheme and general risks relating to investing in unquoted securities. These risks may, individually or in combination, have a material adverse effect on any one or more of HoldCo's future financial performance, financial position, cash flows or, distributions and your ability to dispose of Class B Shares if you wish to do so and consequently, on the outcome of an investment in HoldCo and the value of your Class B Shares.

You should read the Scheme Booklet in its entirety and specifically consider the factors contained within this Section 10.4 before making an Election to receive Scrip Consideration.

You should also carefully consider these factors in the light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding whether to make an Election to receive Scrip Consideration. There is no guarantee that BidCo will achieve its stated objectives or any of its statements of current future intent as described in Section 9.6, or that any dividends or distributions will be paid to HoldCo shareholders post implementation of the Scheme.

You should note that this Section 10.4 is not an exhaustive list of the risks associated with an investment in HoldCo post implementation of the Scheme. Further, many of these risks are outside the control of BidCo, or BidCo and either cannot be mitigated or can only be partially mitigated.

The risk factors that apply to an investment in HoldCo post implementation of the Scheme are materially different from those that apply to your existing investment in InvoCare.

For further information about the rights and obligations associated with Class B Shares see Section 9.4.

b) Risks specific to HoldCo and Class B Shares post implementation of the Scheme

i) No market for Class B Shares

HoldCo is an unlisted company, and will continue to be an unlisted company following implementation of the Scheme.

As such, there is no active market for the sale and purchase of Class B Shares following implementation of the Scheme, nor is there expected to be any such market in the future. There are also substantial restrictions on the ability for Class B Shareholders to transfer their Class B Shares under the HoldCo Shareholders' Deed. See the "Restrictions on dealing" section of the table in Section 9.4c) for more information.

There are limitations on the ability to sell Class B Shares (see Section 9.4c) for more information). The lack of liquidity associated with Class B Shares may affect the price that another person is willing to pay for those Class B Shares (even though the performance of HoldCo and the InvoCare business might suggest the value of those Class B Shares is higher).

ii) Lack of dividends

The declaration and payment of any dividend will be at the sole discretion of the HoldCo Board (subject to the Corporations Act).

It should be noted that certain members of the Bidder Group will be entering into documents with financial institutions that contain covenants restricting certain members of the Bidder Group from declaring or paying a dividend except in limited circumstances.

To the extent HoldCo pays any dividends in the future, the level of franking on any dividends on Class B Shares will be affected by the level of HoldCo's available franking credits and distributable profits. HoldCo's level of franking credits may be affected by a wide range of factors, including its business performance, the jurisdictions in which InvoCare makes profits and pays tax and any other franked dividends it may receive (if any). HoldCo's distributable profits may also be affected by a wide range of factors including its levels of earnings. The level of franking on any dividend may vary over time and dividends may be partially, fully or not franked. The value and availability of franking credits to a Class B Shareholder will depend on that Class B Shareholder's particular circumstances.

iii) Limited information rights

Scheme Shareholders who receive Class B Shares will receive significantly less information and reports about their investment than what they currently receive.

A summary of some of the key information differences is set out in the table below. The summary is not exhaustive.

InvoCare at present		Position for HoldCo
Financial reporting (Corporations Act – Chapter 2M)	<p>Chapter 2M of the Corporations Act requires public companies of every size to disclose their annual financial report and directors' report. The financial report includes the audited financial statements for the year, and the director's declaration about the statements.</p> <p>A listed public company's annual financial report and directors' report must include additional information specified by the Corporations Act.</p> <p>A listed public company's financial statements must include a declaration by the CEO and CFO regarding those financial statements, including that they give a true and fair view.</p> <p>A listed public company's directors' report must include an 'operating and financial review' which contains information that shareholders would reasonably require to make an informed assessment of the company's operations, financial position, business strategies and prospects for future financial years.</p> <p>If the public company is listed, they must also make their remuneration report available, which is voted on at its Annual General Meeting.</p> <p>A disclosing entity must also provide a financial report and directors' report for each half-year</p>	<p>HoldCo, being a public company (but not a disclosing entity), must lodge with ASIC an annual financial report and directors' report. The financial report includes the audited financial statements for the year, and the directors' declaration about the statements.</p> <p>There is no requirement for HoldCo's financial statements to include:</p> <ul style="list-style-type: none"> o a declaration by the CEO and CFO that they give a true and fair view; o an 'operating and financial review'; and o financial report and directors' report for each half-year.
Corporate Governance Statements (Listing Rules – Chapter 4)	<p>Chapter 4 of the ASX Listing Rules requires each listed company to include in its annual report either a corporate governance statement or a website address where such statement is located.</p>	<p>There is no requirement for HoldCo to provide a corporate governance report.</p>



10 Investment risk / What if the Scheme is not implemented?

continued

iv) Due diligence and reliance on information

Before executing the Scheme Implementation Deed, TPG Capital and its advisors undertook due diligence in respect of the InvoCare Group, based on information provided by InvoCare, for the purpose of assessing the acquisition of InvoCare and negotiating the Scheme Implementation Deed. Such investigations were carried out in a limited timeframe. BidCo is satisfied that it has sufficient information to proceed with the Scheme. BidCo has prepared these risks on the basis of information regarding the InvoCare Group that is known to BidCo. There may be other risks associated with the InvoCare Group that are currently unknown to BidCo. Additionally, there is a risk that the information currently available to BidCo in respect of the InvoCare Group may contain inaccuracies or have changed due to changes in the economy or other risk factors outside of the control of either the Bidder Group or the InvoCare Group.

10.5 Risks in relation to the Scheme

a) Risks relating to implementing the Scheme

The Scheme is subject to various Conditions Precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. These Conditions Precedent are outlined in Section 7 and set out in full in clause 3.1 of the Scheme Implementation Deed. The failure of a Condition Precedent to be satisfied or waived (if capable of waiver) may also give rise to a right of either InvoCare or BidCo to terminate the Scheme Implementation Deed.

The Conditions Precedent include approval by the Court, approval by InvoCare Shareholders, FIRB Approval and OIO Approval. There is the risk that the Court may not approve the Scheme, or may only be willing to approve the Scheme subject to conditions that InvoCare and BidCo (as applicable) are not prepared to accept. There is also a risk that some or all of the aspects of the InvoCare Shareholder approval, Court approvals or Regulatory Approvals required for the Scheme to proceed may be delayed.

b) Risks to InvoCare Shareholders associated with the Special Dividend

The InvoCare Board may determine to declare and pay a fully franked Special Dividend of up to \$0.60 per InvoCare Share. This would result in franking credits of up to approximately \$0.257 per InvoCare Share.

Whether you will be able to receive the full benefit of the franking credits attached to the Special Dividend will depend on your individual tax status and specific circumstances.

Beyond the risk that the Scheme does not proceed and that the InvoCare Board does not declare the Special Dividend, there is a risk that the ATO may use certain powers under taxation law to deny an InvoCare Shareholder the benefit of the franking credits attached to the Special Dividend. InvoCare is seeking a ruling on behalf of the InvoCare Shareholders in relation to, among other things, whether the ATO will make a determination to deny access to the franking credits.

You should consult your own taxation adviser to determine the tax consequences relevant to your own specific circumstances.

c) Implications for InvoCare and InvoCare Shareholders if the Scheme is not implemented

If the Scheme does not become Effective and is not implemented, InvoCare Shareholders will not receive the Scheme Consideration and InvoCare will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX.

Unless InvoCare Shareholders choose to sell their InvoCare Shares on the ASX, InvoCare Shareholders will continue to hold InvoCare Shares and be exposed to both the risks (including those set out in Sections 10.2 and 10.3) and potential future benefits in retaining exposure to InvoCare's business and assets.

The InvoCare Share price will also remain subject to market volatility and is likely to fall in the absence of a Superior Proposal.

d) Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable. In addition, if paid by InvoCare, the actual value of any actual Special Dividend paid to each InvoCare Shareholder may be affected by the tax consequences applying to individual shareholders, given the use of franking credits depends on their personal tax circumstances.

For further details regarding general Australian tax consequences of the Scheme, refer to Section 11. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. InvoCare Shareholders should seek professional taxation advice in this regard.



SECTION 11

Taxation implications for Scheme Shareholders



11 Taxation implications for Scheme Shareholders

11.1 Introduction

This Section 11 sets out a general summary of the key Australian income tax, GST and stamp duty consequences for certain InvoCare Shareholders that may arise as a result of the disposal of their InvoCare Shares under the Scheme (assuming the Scheme becomes Effective), including the receipt of the Special Dividend (to the extent it is declared and paid).

This summary is based on the provisions of the Income Tax Assessment Act 1936 (Cth) (**ITAA 1936**), the Income Tax Assessment Act 1997 (Cth) (**ITAA 1997**), Tax Administration Act 1953, A New Tax System (Goods and Services Tax) Act 1999 (Cth) (**GST Act**) and the Australian stamp duty legislation as at the Last Practicable Date.

InvoCare Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment as described in this summary. As at Last Practicable Date, new law had been proposed to, broadly, make a dividend unfrankable where it is funded by a capital raising. The new measure is proposed to have retrospective effect to 15 September 2022 and thus could have potential application to any Special Dividend. A bill¹⁰⁸ to give effect to this measure had been introduced to Parliament and passed by the House of Representatives. The bill was then referred to the Senate Economics and Legislation Committee, who recommended that the Government review the legislation to ensure it meets its intended purpose. If the bill were enacted in its current form, the “equity funded distributions” measure is not expected to apply to the Special Dividend. Any changes that may be made to the bill are unknown (see further comments below in Section 11.2).

This summary is intended as a general guide and is not intended to be an authoritative or complete statement of the law applicable to the circumstances of every InvoCare Shareholder and is not intended to be advice and should not be relied on as such. The tax consequences for each InvoCare Shareholder will vary depending on their specific profile, characteristics, and circumstances. Accordingly, InvoCare Shareholders should obtain professional tax advice having regard to their own circumstances.

This summary is relevant to InvoCare Shareholders who are individuals, companies, trusts and complying superannuation entities that hold their InvoCare Shares on capital account for Australian income tax purposes.

This summary does not apply to all InvoCare Shareholders, such as InvoCare Shareholders who:

- hold their InvoCare Shares on revenue account or as trading stock;
- are “temporary residents” of Australia as defined in section 995-1(1) of the ITAA 1997;
- change their tax residence while holding InvoCare Shares;
- are non-resident for Australian income tax purposes and who currently hold, or have at any time held, InvoCare Shares through a permanent establishment in Australia;
- acquired their InvoCare Shares, or any rights to acquire InvoCare Shares, pursuant to an employee share scheme under Division 83A of the ITAA 1997;
- obtained rollover relief in connection with the acquisition of their InvoCare Shares;
- are taken to have acquired their InvoCare Shares before 20 September 1985;
- are under a legal disability;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their InvoCare Shares;
- are subject to special tax rules applicable to certain classes of entities such as tax-exempt organisations, banks, insurance companies, partnerships, superannuation funds with accounts in a tax-free pension phase or dealers in securities; or
- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in relation to their InvoCare Shares.

Additionally, this summary does not consider the tax laws of any country other than Australia. Any persons who may be subject to tax in any jurisdiction outside Australia or who fall in any of the above listed situations should obtain independent professional advice on their particular circumstances.

¹⁰⁸ The bill is *Treasury Laws Amendment (2023 Measures No. 1) Bill 2023*.

11.2 ATO Class Ruling

InvoCare has applied for a class ruling from the ATO (**Class Ruling**) on behalf of certain InvoCare Shareholders¹⁰⁹ on certain matters discussed in this Section 11, including:

- o the CGT implications for Australian resident InvoCare Shareholders on participating in the Scheme, including the availability for rollover relief for those InvoCare Shareholders who elect for Scrip Consideration;
- o whether InvoCare Shareholders who are “qualified persons” are required to include the franking credits attached to the Special Dividend in their assessable income and can claim a tax offset; and
- o whether the ATO will seek to apply certain integrity measures to the Scheme Consideration.

The bill referred to in Section 11.1 in relation to the proposed “equity funded distributions” measure was not law at the time of applying for the Class Ruling and thus will not be addressed in the Class Ruling.

The final Class Ruling will not be issued by the ATO until after the Implementation Date of the Scheme. The Class Ruling will be available on the ATO website at www.ato.gov.au.

InvoCare Shareholders should review the final Class Ruling when it is issued by the ATO. The income tax comments provided in the following sections are consistent with positions taken in the application for the Class Ruling lodged with the ATO. It is anticipated that the ATO’s views to be expressed in the Class Ruling will be generally consistent with the income tax information in this outline. However, it is possible that the ATO may reach different conclusions in the final Class Ruling.

The Scheme is not conditional on the receipt of the finalised Class Ruling.

109 The class of entities proposed to be covered by the Class Ruling include InvoCare Shareholders who:

- o hold their InvoCare Shares on capital account; that is, the InvoCare Shares are neither held as revenue assets (as defined in section 977-50 of the ITAA 1997) nor as trading stock (as defined in section 995-1 of the ITAA 1997);
- o acquired their InvoCare Shares on or after 20 September 1985;
- o are residents or non-residents of Australia, as defined in section 6(1) of the ITAA 1936;
- o are not subject to the investment manager regime in Subdivision 842-I of the ITAA 1997 in relation to their InvoCare Shares;
- o are not subject to the taxation of financial arrangement rules in Division 230 of the ITAA 1997 in relation to gains and losses on their InvoCare Shares;
- o did not acquire their InvoCare Shares, or any rights to acquire their InvoCare Shares, pursuant to an employee share scheme under Division 83A of the ITAA 1997;
- o together with their associates, are not non-residents who hold nor are entitled to acquire, more than 10% of the InvoCare Shares; and
- o did not previously apply rollover relief in connection with the acquisition of their InvoCare Shares.

11.3 Australian resident InvoCare Shareholders

a) Australian income tax implications of disposing of InvoCare Shares

I) CGT event

Under the Scheme, Scheme Shareholders will transfer their InvoCare Shares to BidCo. This will result in a disposal of the InvoCare Shares, which will trigger CGT event A1 for Australian income tax purposes. The CGT event will happen on the date on which the transfer of InvoCare Shares occurs, which will be the Implementation Date.

II) Calculation of capital gain or loss

Scheme Shareholders should derive a capital gain from the disposal of their InvoCare Shares to the extent that the capital proceeds received exceed the cost base of their InvoCare Shares.

Conversely, Scheme Shareholders should incur a capital loss from the disposal of their InvoCare Shares to the extent that the capital proceeds received are less than the reduced cost base of their InvoCare Shares.

A capital loss may be used to offset a capital gain made in the same income year or may be carried forward to offset a capital gain made in future income years (subject to the satisfaction of certain loss recoupment tests that apply to certain taxpayers). Capital losses cannot reduce or offset other income or non-capital gains.

Any resulting net capital gain after the application of any available capital losses and any available CGT discount (refer below) should be included in a Scheme Shareholder’s assessable income and subject to Australian income tax at the applicable tax rate.

To the extent Scheme Shareholders receive Scrip Consideration for their InvoCare Shares and would have otherwise made a capital gain as a result of the disposal, these Scheme Shareholders may access scrip for scrip rollover relief (discussed further below).

Capital proceeds

Capital proceeds broadly include the money received and the market value of any property received.

The capital proceeds for the disposal of InvoCare Shares under the Scheme should be the Scheme Consideration received (excluding the amount of any Special Dividend declared and paid by InvoCare before the Implementation Date).

In the final Class Ruling, the ATO may adopt a contrary view in relation to the Special Dividend and include the Special Dividend in the capital proceeds. This may be as a result of the ATO concluding that the acceptance of the Scheme was conditional upon:

- o the Special Dividend being declared and paid by InvoCare;
- o BidCo (or a third party) financing or facilitating payment of the Special Dividend; or
- o BidCo (or a third party) being obligated to bring about the result that the Special Dividend will be received by InvoCare Shareholders.



11 Taxation implications for Scheme Shareholders

continued

In the event that the ATO determines that the Special Dividend forms part of the capital proceeds from the disposal of InvoCare Shares, Scheme Shareholders will need to take this into account in calculating any capital gain or loss made. To the extent the Special Dividend is otherwise included in assessable income, the anti-overlap provisions should apply such that any capital gain made by a Scheme Shareholder would be reduced by the amount of the Special Dividend received.

Cost base and reduced cost base

A Scheme Shareholder's cost base of an InvoCare Share will generally include the amount of money paid, or the value of any property given, in respect of the acquisition of the InvoCare Shares plus certain incidental costs (such as brokerage fees) relating to the acquisition, holding and disposal of the InvoCare Shares.

The reduced cost base would usually be determined in a similar, but not identical, manner.

The cost base and reduced cost base will depend on the individual circumstances of each Scheme Shareholder.

III) CGT discount

Scheme Shareholders that are individuals, complying superannuation entities or trustees of a trust (conditions apply) that have held their InvoCare Shares for at least 12 months (disregarding the date of acquisition and the date of disposal) may be entitled to apply the CGT discount to reduce the amount of a capital gain resulting from the disposal of their InvoCare Shares (after being reduced by any current year and prior year capital losses).

The CGT discount rate for individuals and trustees of trusts is 50% and the CGT discount rate for complying superannuation entities is 33⅓%. The CGT discount is not available to Scheme Shareholders that are companies.

As the rules relating to discount capital gains are complex, Scheme Shareholders should seek their own independent advice on how the CGT discount provisions will apply in their specific circumstances.

IV) CGT withholding

BidCo may require certain Scheme Shareholders to undertake certain actions to prevent BidCo withholding an amount of tax from the Scheme Consideration. These requirements are described in further detail under the heading "CGT withholding" in Section 11.4 below.

V) Scrip for scrip rollover relief

Scheme Shareholders can make an Election to receive some or all of the Scheme Consideration as Scrip Consideration.

Scheme Shareholders who would otherwise make a capital gain on the disposal of their InvoCare Shares under the Scheme may choose scrip for scrip rollover relief under Subdivision 124-M of the ITAA 1997.

Scheme Shareholders cannot choose to apply rollover relief to the extent that they receive Cash Consideration or if they made a capital loss on the disposal of their InvoCare Shares.

The eligibility for rollover relief is part of the Class Ruling application.

Consequences of choosing scrip for scrip rollover relief

Where a Scheme Shareholder chooses rollover relief under Subdivision 124-M, the capital gain that would otherwise be made on the disposal of their InvoCare Shares will be disregarded to the extent that the capital proceeds received are the Class B Shares.

If rollover relief is available and chosen, the first element of the cost base and reduced cost base of the Class B Shares should equal the Scheme Shareholder's cost base and reduced cost base (respectively) of their InvoCare Shares for which scrip for scrip rollover relief is applied.

The Class B Shares should be deemed to have been acquired at the time the InvoCare Shares were originally acquired. This will be relevant for the purposes of determining eligibility for the CGT discount for a subsequent disposal of Class B Shares.

The benefit of choosing scrip for scrip rollover relief will depend upon the individual circumstances of each Scheme Shareholder.

Choosing rollover relief

Generally, a choice to adopt scrip for scrip rollover relief must be made by a Scheme Shareholder before lodgement of that Scheme Shareholder's income tax return for the income year in which the CGT event occurs. No formal election notice is required to be lodged with the ATO. A Scheme Shareholder will provide evidence of having made a choice to apply scrip for scrip rollover relief by the way they prepare their income tax return.

VI) Consequences if no scrip for scrip rollover relief

Scheme Shareholders who are ineligible to choose scrip for scrip rollover relief, or elect not to choose it, should include the market value of the Class B Shares as part of their capital proceeds.

The first element of the cost base and reduced cost base of the Class B Shares should be equal to the market value of the InvoCare Shares on the Implementation Date. The acquisition date of the Class B Shares should be the Implementation Date. This will be relevant for the purposes of determining whether a Scheme Shareholder is eligible for the CGT discount in relation to a subsequent disposal of Class B Shares.

b) Australian income tax implications of the Special Dividend

InvoCare Shareholders who are Australian residents are required to include the Special Dividend and the attached franking credits in their assessable income. Generally, a corresponding tax offset may be available to the InvoCare Shareholder provided they are a “qualified person” in relation to the Special Dividend (discussed below).

Where an InvoCare Shareholder is not a “qualified person”, the InvoCare Shareholder will not be required to include the amount of the franking credits in their assessable income and will not be entitled to a corresponding Australian tax offset.

‘Qualified person’

For an InvoCare Shareholder to be considered a “qualified person” in relation to the Special Dividend, they must have held their InvoCare Shares at risk for a continuous 45 day period within the qualification period (excluding the dates of acquisition and disposal of their InvoCare Shares). The qualification period starts 45 days before the ex-dividend date of the Special Dividend and ends the day before the Scheme Record Date.

An InvoCare Shareholder will not be considered to have held their InvoCare Shares ‘at risk’ where the InvoCare Shareholder has materially diminished risks of loss or opportunities for gain in respect of the InvoCare Shares. Under the Scheme, InvoCare Shareholders should cease to hold the InvoCare Shares ‘at risk’ from the Scheme Record Date onwards.

InvoCare Shareholders should seek independent professional advice regarding the application of the “qualified person” rule to their particular circumstances.

Franking integrity rules

The franking integrity rules are intended to prevent abuse of the imputation system. The rules are complex and the Class Ruling application seeks to confirm that certain franking integrity rules should not apply.

Excess franking offsets

Provided that the InvoCare Shareholder is a “qualified person” in relation to the Special Dividend and none of the franking integrity measures apply, to the extent that the InvoCare Shareholder’s entitlement to franking offsets exceeds their tax liability for the income year:

- o InvoCare Shareholders who are Australian resident individuals or are complying superannuation funds should be entitled to receive a refund of the excess franking offsets; and
- o InvoCare Shareholders that are Australian resident companies may be able to convert excess franking offsets into tax losses.

11.4 Non-Australian tax resident InvoCare Shareholders

a) Australian income tax implications on disposing of InvoCare Shares

I) Capital gains tax

Subject to the comment that follows, Scheme Shareholders who are non-residents of Australia for income tax purposes should generally not be subject to Australian income tax (including CGT) on any gain made from participating in the Scheme.

However, Australian CGT may apply to foreign resident Scheme Shareholders if their InvoCare Shares constitute “indirect Australian real property interests”. This will be the case, broadly, if:

- o the Scheme Shareholder (together with their associates) holds 10% or more of the InvoCare Shares on issue on the Implementation Date, or have done so for any continuous 12 month period in the 24 month period before the Implementation Date; and
- o the market value of InvoCare’s taxable Australian real property is greater than the market value of InvoCare’s other assets.

Scheme Shareholders who are non-residents of Australia for income tax purposes and who own, together with their associates, 10% or more of the InvoCare Shares on the Implementation Date or have held such an interest during the requisite period should seek independent professional advice as to the tax implications of the Scheme.

II) CGT withholding

The foreign resident capital gains withholding regime may impose a 12.5% withholding obligation (calculated by reference to the Scheme Consideration) on BidCo if BidCo considers, or reasonably believes, that a Scheme Shareholder is a “relevant foreign resident” and the Scheme Shareholder’s interest is an “indirect Australian real property interest” (refer above). For the purposes of these rules, a “relevant foreign resident” is any Scheme Shareholder who, on the Implementation Date, is:

- o known or reasonably believed by BidCo to be a non-resident;
- o is not reasonably believed by BidCo to be an Australian resident, and has an address outside Australia or has authorised BidCo to provide a financial benefit to a place outside of Australia; or
- o has a connection outside Australia of a kind specified in the regulations.

If BidCo considers or reasonably believes you are a “relevant foreign resident”, and that your interest is an “indirect Australian real property interest”, you will be provided with a foreign resident capital gains withholding taxation declaration form (**Declaration Form**).



11 Taxation implications for Scheme Shareholders

continued

A number of factors will be considered in determining whether BidCo considers or reasonably believes you as a Scheme Shareholder are a “relevant foreign resident”, including where you:

- o are classified as a non-resident or have a non-Australian domicile in InvoCare’s share register;
- o have a foreign registered address; or
- o in the case of a corporate shareholder, are not incorporated in Australia or have a registered name which leads BidCo to reasonably believe you are not an Australian incorporated entity.

If for whatever reason, you think that you are a foreign resident, and that your Scheme Shares may be considered to represent an “indirect Australian real property interest” but you do not receive a Declaration Form, you should contact the InvoCare Registry to request a Declaration Form.

In the Declaration Form, a Scheme Shareholder may provide BidCo with a declaration that the registered holder of the relevant Scheme Shares does not hold membership interests which are subject to the withholding rules because:

- o the registered holder of the relevant Scheme Shares is an Australian resident; or
- o the registered holder of the relevant Scheme Shares, together with its associates, does not and is not anticipated to hold 10% or more of InvoCare’s shares on issue on the Implementation Date, or will not have done so for any continuous 12 month period in the 24 month period before the Implementation Date.

If you receive a Declaration Form you should read it in full and follow the instructions provided on the Declaration Form. Unless a signed declaration regarding your residency, or interest, is provided to BidCo by the Scheme Record Date, you might be treated as being a “relevant foreign resident” for the purposes of the Scheme. Where you are so treated, BidCo may withhold, and remit, an amount equal to 12.5% (or some lesser amount approved by the Commissioner of Taxation) of your Scheme Consideration payable to you, to the Commissioner of Taxation.

In the event that BidCo is required to withhold from your Scheme Consideration, and you have elected to receive a combination of Scrip and Cash Consideration, the withholding will first be made against the Cash Consideration. If required, the Scrip Consideration will be reduced to the extent necessary to discharge the balance of the withholding obligation.

Scheme Shareholders who have an amount withheld may be entitled to a credit for that amount withheld on lodging an Australian income taxation return. Affected Scheme Shareholders should seek their own independent advice regarding foreign resident capital gains withholding and if relevant the completion of a Declaration Form.

b) Australian income tax implications of the Special Dividend

Any Special Dividend will be fully franked. As such, any Special Dividend should be non-assessable, non-exempt income for non-resident InvoCare Shareholders (other than those who receive the Special Dividend in carrying on business in Australia at or through a permanent establishment in Australia) and therefore not included in their Australian assessable income.

InvoCare Shareholders that are non-residents should not be liable for Australian dividend withholding tax in respect of the Special Dividend as it is fully franked.

InvoCare Shareholders who are non-residents for income tax purposes should seek independent professional advice as to the tax implications of the receipt of the Special Dividend, including the tax implications in their country of residence.

11.5 Stamp Duty

No stamp duty should be payable by a Scheme Shareholder in respect of a disposal of their InvoCare Shares under the Scheme.

The issue of Class B Shares should have no stamp duty implications as the maximum percentage of shares being issued is 20% of the issued capital of HoldCo which is below the landholder acquisition threshold of 50% for private companies. However, each InvoCare Shareholder should seek their own stamp duty advice to confirm the stamp duty implications.

11.6 Goods and Services Tax

InvoCare Scheme Shareholders should not be liable for GST in respect of a disposal of their InvoCare Shares under the Scheme.

Similarly, the acquisition of B Class Shares by Scheme Shareholders as part of any Scrip Consideration should not be subject to GST.

InvoCare Shareholders should obtain their own tax advice in relation to any GST implications associated with the Scheme, including reverse-charge GST liabilities and entitlement to claim ‘input tax credits’ (including ‘reduced input tax credits’) on account of any GST that is paid on acquisitions made in connection with their participation in the Scheme.



SECTION 12

**Additional information
about InvoCare**

12.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the *Corporations Regulations 2001* (Cth) to be included in this Scheme Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that the InvoCare Directors consider material to a decision on how to vote on the resolution in respect of the Scheme.

12.2 Suspension of trading of InvoCare Shares

If the Court approves the Scheme, InvoCare will immediately notify the ASX. It is expected that suspension of trading on the ASX in InvoCare Shares will occur at the close of trading on the ASX on the Effective Date.

12.3 Removal of InvoCare from the ASX's official list

If the Court approves the Scheme, InvoCare will be removed from the ASX's official list by close of trading on the trading day immediately following the Implementation Date.

12.4 Payment instructions

Direct credit instructions can be given or updated online with the InvoCare Registry at www.investorcentre.linkgroup.com, or by completing the direct credit form.

12.5 InvoCare Directors' interests in InvoCare Shares and InvoCare Equity Incentives

As at the Last Practicable Date, the InvoCare Directors have the following interests in securities of InvoCare:

Director	Position	InvoCare Shares held by or on behalf of the InvoCare Director	Options held by or on behalf of the InvoCare Director	Performance Rights held by or on behalf of the InvoCare Director	Share Rights held by or on behalf of the InvoCare Director
Bart Vogel	Independent Non-Executive Chairman	19,343	-	-	-
Olivier Chretien	Managing Director and Chief Executive Officer	61,327	-	233,108	-
Kim Anderson	Independent Non-Executive Director	15,374	-	-	-
Richard Davis	Independent Non-Executive Director	120,000	-	-	-
Megan Quinn	Independent Non-Executive Director	-	-	-	-
Keith Skinner	Independent Non-Executive Director	7,968	-	-	-
Kee Wong	Independent Non-Executive Director	6,300	-	-	-
Total		230,312	0	233,108	0

InvoCare Directors, or entities controlled by them, who hold InvoCare Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders. Each InvoCare Director intends to vote, or procure the voting of, all InvoCare Shares they have a Relevant Interest in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders.

Please refer to Section 7.2 for details regarding the treatment of InvoCare Incentives if the Scheme becomes Effective. InvoCare Shareholders should have regard to the InvoCare Equity Incentives held by the InvoCare Directors as set out above when considering their Recommendation on the Scheme which appears throughout this Scheme Booklet. The InvoCare Board considers that, notwithstanding these arrangements (which will have no impact on the Scheme Consideration provided to InvoCare Shareholders), it is appropriate for the InvoCare Directors to make such a recommendation, given the importance of the Scheme and their role as directors of InvoCare.

12.6 Retirement benefits

a) Retirement benefits of Non-Executive Directors

Except as disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any Non-Executive Director of InvoCare as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in InvoCare or any Related Bodies Corporate of InvoCare.

b) Retirement benefits of Executive Directors

Except as disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any Executive Director of InvoCare as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in InvoCare or any Related Bodies Corporate of InvoCare.

c) Retirement benefits of other directors, secretary or executive officers of InvoCare or any of its Related Bodies Corporate

Except as disclosed in this Scheme Booklet, no payment or other benefit is proposed to be made or given in connection with the Scheme to any other directors, secretary or executive officers of InvoCare or any of its Related Bodies Corporate as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in InvoCare or any Related Bodies Corporate of InvoCare, other than any payments or benefits arising from any applicable redundancy entitlements. Redundancy entitlements may arise under the terms of the relevant officer's contract of employment, applicable statutory entitlements, InvoCare policies or a combination of these.

12.7 Deeds of indemnity, insurance and access

Members of the InvoCare Group have entered into deeds of indemnity, insurance and access with the directors and various executive officers of the InvoCare Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each InvoCare Group Member to indemnify each of its directors and executive officers against any liability incurred by such persons in their capacity as a director or executive officer of the company to any person other than an InvoCare Group Member.

The InvoCare Group also pays a premium in respect of a directors and officers insurance policy for the benefit of the directors and executive officers of the InvoCare Group. If the Scheme is implemented, the InvoCare Group may enter into an arrangement to provide insurance coverage for all current InvoCare Directors and officers for seven years from the Implementation Date. As at the Last Practicable Date, the InvoCare Group expects that the premium for entry into such run-off arrangement will be approximately \$2.5 million. The entry into such arrangements by InvoCare is permitted by clause 10.3 of the Scheme Implementation Deed. In addition, under clause 10.3(a)(ii) of the Scheme Implementation Deed, BidCo must ensure that directors' and officers' run-off insurance cover for such directors and executive officers is maintained for a period of seven years from the retirement date of each director and executive officer.

12.8 Agreements and arrangements entered into by InvoCare Directors in connection with or conditional upon the Scheme

Except as disclosed in this Scheme Booklet, none of the InvoCare Directors, nor any of their Associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any one or more of BidCo, HoldCo or any of their respective Related Bodies Corporate, in connection with, or conditional upon, the outcome of the Scheme.



12 Additional information about InvoCare

continued

12.9 Interests of InvoCare Directors in contracts of BidCo and HoldCo

Except as disclosed in this Scheme Booklet (in particular, the Retention Agreement Letter Deeds noted in Section 7.2d), none of the InvoCare Directors, nor any of their Associates, have entered into, or otherwise have any interest in any agreement, arrangement or contract with any one or more of BidCo, HoldCo or any of their respective Related Bodies Corporate.

12.10 Disclosure of fees and other benefits

Each of the persons named in this Section as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging.

If the Scheme is implemented, InvoCare expects to pay an aggregate amount of approximately \$19.1 million (exclusive of GST) in transaction costs in connection with the Scheme. This includes advisory fees, the Independent Expert fees, registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meeting. Of this amount approximately \$9.87 million (exclusive of GST) is expected to be payable by InvoCare irrespective of whether or not the Scheme is implemented (excluding any Break Fee that may be payable). These amounts do not include the transaction costs that may be incurred by BidCo in relation to the Scheme.

12.11 InvoCare Directors' intentions regarding the business, assets and employees of InvoCare

Pursuant to section 6.6 of the Scheme Implementation Deed, if the Scheme is approved and implemented, the existing InvoCare Board will be reconstituted with effect on and from the Implementation Date in accordance with the instructions of BidCo. Accordingly, it is not possible for the InvoCare Directors to provide a statement of their intentions regarding:

- o the continuation of the business of InvoCare or how InvoCare's existing business will be conducted after the Scheme is implemented;
- o any major changes to be made to the business of InvoCare, including any redeployment of the fixed assets of InvoCare; or
- o the future employment of the present employees of InvoCare, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, BidCo will have 100% ownership of InvoCare issued shares and will control InvoCare.

Please refer to Section 9.6 for a statement of BidCo's intentions for InvoCare if the Scheme becomes Effective.

12.12 Consents

- o The following parties have given, and have not withdrawn before the Last Practicable Date, their consent to be named in this Scheme Booklet in the form and context in which they are named:
 - o Goldman Sachs as joint financial adviser to InvoCare;
 - o Gresham Advisory Partners Limited as joint financial adviser to InvoCare;
 - o Clayton Utz as legal adviser to InvoCare; and
 - o Link Market Services as the InvoCare Registry.
- o Kroll has consented to the inclusion of the Independent Expert's Report in Appendix B to this Scheme Booklet and the Independent Expert has consented to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- o KPMG has consented to the inclusion of the information in Section 11 and to the references to the information included in Section 11 in this Scheme Booklet being made in the form and context in which each such reference is included.
- o Each person named in this Section 12:
 - o has not authorised or caused the issue of this Scheme Booklet;
 - o does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 12; and
 - o to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of the party as specified in this Section 12.
- o BidCo has given, and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its consent, to the inclusion of the Bidder Information in this Scheme Booklet and the references to the Bidder Information in the form and context in which they are included in the Scheme Booklet.

12.13 No unacceptable circumstances

The InvoCare Directors believe that the Scheme does not involve any circumstances in relation to the affairs of InvoCare that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

12.14 Supplementary information

InvoCare will issue a supplementary document if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date:

- o a material statement in this Scheme Booklet that is false or misleading;
- o a material omission from this Scheme Booklet;
- o a significant change affecting a matter in this Scheme Booklet; or
- o a significant new matter that has arisen and it would have been required to be included in this Scheme Booklet if known at the date of lodgement with ASIC.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, InvoCare may circulate and publish any supplementary document by:

- o making an announcement to the ASX;
- o placing an advertisement in a prominently placed newspaper which is circulated throughout Australia;
- o posting the supplementary document to InvoCare Shareholders at their address shown in the InvoCare Share Register; and/or
- o posting a statement on InvoCare website at www.InvoCare.com.au

as InvoCare, in its absolute discretion, considers appropriate.

12.15 Regulatory relief

a) ASIC relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the InvoCare Directors, the financial position of InvoCare has materially changed since the date of the last balance sheet laid before InvoCare in general meeting (being its financial statements for the financial year ended 31 December 2022) or sent to InvoCare Shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change. ASIC has granted InvoCare relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the InvoCare Directors, the financial position of InvoCare has materially changed since 30 June 2023 (being the last date of the period to which the financial statements for the half-year ended 30 June 2023 relate) and, if so, full particulars of any change. The InvoCare Group will ensure that a copy of its financial report for the financial half-year ended 30 June 2023 is made available, free of charge, to any InvoCare Shareholder who requests a copy before the Scheme is approved by order of the Court. InvoCare Shareholders can also access a copy of the InvoCare Group’s financial report for the financial half-year ended 30 June 2023 on the ASX website (www.asx.com.au) or on InvoCare’s website (www.InvoCare.com.au/investor-relations/share-info).

b) ASX waiver

InvoCare has applied to ASX for a waiver of Listing Rules 6.23.3 and 6.23.4 to the extent necessary to permit the treatment of the InvoCare Equity Incentives as set out in Section 7.2.

12.16 Other material information

Otherwise than as contained or referred to in this Scheme Booklet, including in the Independent Expert’s Report and the information that is contained in the attachments and appendices to this Scheme Booklet, there is no other information that is material to the making of a decision by an InvoCare Shareholder as to whether or not to vote in favour of the Scheme, being information that is known to any InvoCare Director and which has not been previously disclosed to InvoCare Shareholders.

InvoCare is not aware of any material information about InvoCare that is material to a decision of InvoCare Shareholders on how to vote in relation to the Scheme Resolution and which:

- o has not been made available to the Independent Expert for the purpose of preparing the Independent Expert’s Report;
- o is not set out in this Scheme Booklet; or
- o has not otherwise been made publicly available by InvoCare.



12 Additional information about InvoCare
continued

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SECTION 13

Glossary



13.1 Definitions

Aggregate Cash Consideration	means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made on or before the Election Date and the terms of the Scheme).
Aggregate Scrip Consideration	means the aggregate number of Class B Shares issued to Scheme Shareholders under the Scheme (taking into account all valid Elections made on or before the Election Date and the terms of the Scheme).
All Cash Consideration	means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.
All Scrip Consideration	means the Scrip Consideration for each Scheme Share held by a Scheme Shareholder.
All Scrip Election Option	means an Election by an InvoCare Shareholder to receive the All Scrip Consideration for the Scheme Shares held by that InvoCare Shareholder.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act.
ASX	means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ATO	means the Australian Tax Office.
BidCo	means Eternal Aus BidCo Pty Ltd (ACN 669 053 258).
BidCo Representation and Warranty	means the representations and warranties given by BidCo as outlined at Schedule 2 of the Scheme Implementation Deed.
Bidder Counterproposal	has the meaning given in Section 7.1c).
Bidder Group	means BidCo and each of its Related Bodies Corporate (including MidCo, MezzCo and HoldCo), and a reference to a 'Bidder Group Member' or a 'member of the Bidder Group' is any of them.
Bidder Information	means: a) the answers to the following questions in Section 4: i) <i>'Who is TPG, BidCo and HoldCo?'</i> ; ii) <i>'What is a Class B Share?'</i> ; iii) <i>'What are BidCo's intentions if the Scheme is implemented?'</i> ; iv) <i>'What is the HoldCo Shareholders' Deed?'</i> ; and v) <i>'How is BidCo funding the Scheme Consideration?'</i> ; b) Section 9; and c) Section 10.4.
Blue Eternal	means Blue Eternal Holdings Pte. Ltd. (UEN 202201522M).
Break Fee	means \$18,300,000.
Business Day	means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
Cash Consideration	means an amount of \$12.70 for each Scheme Share, as adjusted in accordance with clause 5.9(b) of the Scheme Implementation Deed (if applicable).
Cash Payments	has the meaning given to that term in Section 2.
CGT	means capital gains tax.
Class A Shareholder	means a holder of Class A Shares.
Class A Share	means a share in the capital of HoldCo which is designated as a Class A Share and has the rights set out in the HoldCo Constitution and the HoldCo Shareholders' Deed.
Class B Shareholder	means a holder of Class B Shares.
Class B Share	means a share in the capital of HoldCo which is designated as a Class B Share and has the rights set out in the HoldCo Constitution and the HoldCo Shareholders' Deed.
Class C Shareholder	means a holder of Class C Shares.
Class C Shares	means a share in the capital of HoldCo which is designated as a Class C Share and has the rights set out in the HoldCo Constitution.
Class M Shareholder	means a holder of Class M Shares.
Class M Shares	means a share in the capital of HoldCo which is designated as a Class M Share and has the rights set out in the HoldCo Constitution.

Class Ruling	has the meaning given to that term in Section 11.2.
Competing Proposal	<p>means any proposal, offer, expression of interest, agreement, arrangement or transaction which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any Associates):</p> <p>a) directly or indirectly acquiring a or having the right to acquire;</p> <p style="padding-left: 20px;">i) a Relevant Interest in;</p> <p style="padding-left: 20px;">ii) a legal, beneficial or economic interest (including by way an equity swap, contract for difference or other derivative, or similar transaction or arrangement) in; or</p> <p style="padding-left: 20px;">iii) control of,</p> <p style="padding-left: 40px;">20% or more of the InvoCare Shares;</p> <p>b) directly or indirectly acquiring Control of InvoCare;</p> <p>c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of:</p> <p style="padding-left: 20px;">i) all or a material part of the business conducted by the InvoCare Group taken as a whole; or</p> <p style="padding-left: 20px;">ii) any material assets of the InvoCare Group taken as a whole;</p> <p>d) otherwise directly or indirectly acquiring or merging with InvoCare; or</p> <p>e) requiring InvoCare to abandon, or otherwise fail to proceed with, the Transaction,</p> <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.</p> <p>For the avoidance of doubt, each successive material modification or variation of any proposal, offer, expression of interest, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Condition Precedent	means each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Control	has the meaning given to it in section 50AA of the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Court	means the New South Wales Supreme Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by InvoCare and BidCo.
Credit Suisse	means Credit Suisse AG, Singapore Branch.
Credit Suisse Swap	means the cash settled total return swap described in Section 9.7a).
Custom Consideration	<p>means, in respect of a Scheme Shareholder who has made a Custom Consideration Election Option:</p> <p>a) the Cash Consideration for such number of Scheme Shares; plus</p> <p>b) the Scrip Consideration for such number of Scheme Shares,</p> <p>as agreed with BidCo (in its absolute discretion) in writing.</p>
Custom Consideration Election Option	means an election by an InvoCare Shareholder to receive the Custom Consideration for the Scheme Shares held by that InvoCare Shareholder.
Data Room	<p>means the two online electronic data rooms in connection with the Transaction established and maintained by or on behalf of InvoCare as at 5:00pm on 1 August 2023, which could be accessed at:</p> <p>www.dataroom.ansarada.com/ProjectEdinburghDR%7C123353/6365228/TermsOfAccess.asp and</p> <p>www.dataroom.ansarada.com/067b6cswebko%7C130143/6457039/TermsOfAccess.asp and the contents of which are set out in an electronic index sent by Clayton Utz to Gilbert + Tobin on or before the date of the Scheme Implementation Deed.</p>
Debt Commitment Letter	has the meaning given to that term in Section 9.5b)(ii).
Debt Financing	means the financing commitments set out in the Debt Commitment Letter.



13 Glossary

continued

Declaration Form	has the meaning given to that term in Section 11.4.
Deed Poll	means a deed poll executed by BidCo and HoldCo under which BidCo and HoldCo covenant in favour of the Scheme Shareholders to perform their obligations under the Scheme, a copy of which is attached at Appendix C.
Disclosure Letter	means a letter identified as such provided by InvoCare to BidCo and countersigned by BidCo on or prior to entry into the Scheme Implementation Deed.
Disclosure Materials	means: a) the documents and information (including written management presentations and all written responses from InvoCare and its Related Persons to requests for further information made by BidCo and its Related Persons) contained in the Data Room; and b) the Disclosure Letter.
EBITDA	means the statutory earnings before interest, taxes, depreciation and amortisation for the InvoCare Group on a consolidated basis, adjusted to include cash lease expenses for the InvoCare Group and otherwise calculated on the same basis as InvoCare's full year financials for the financial year ended 31 December 2022 (as set out in InvoCare's annual report for that financial year) were calculated.
Effective	means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Election	means: a) a Mixed Election Option 1; b) a Mixed Election Option 2; c) a Mixed Election Option 3; d) an All Scrip Election Option; or e) a Custom Consideration Election Option.
Election Date	means 7:00pm on the date which is at least five Business Days prior to the date of the Scheme Meeting, or such other date as agreed in writing between BidCo and InvoCare.
Election Form	means the form of election under which an InvoCare Shareholder is offered the opportunity to make an Election, sent to InvoCare Shareholders with this Scheme Booklet.
Encumbrance	means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	means 31 December 2023, or such other date as agreed in writing by InvoCare and BidCo.
Equity Commitment Letters	means the binding, executed commitment letters dated 9 August 2023 and addressed to BidCo and InvoCare.
Equity Commitment Party	has the meaning given to it in Section 9.5b)(i).
Equity Financing	has meaning given to it in Section 9.5b)(i).
Excluded Shareholder	means any shareholder of InvoCare who is a Bidder Group Member or any InvoCare Shareholder who holds any InvoCare Shares on behalf of, or for the benefit of, any Bidder Group Member and does not hold InvoCare Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	means the period from and including the date of the Scheme Implementation Deed to the earliest of: a) the date of termination of the Scheme Implementation Deed; b) the End Date; and c) the Implementation Date.

Exit Event	means: a) an IPO; b) a sale of all of the shares in HoldCo on issue to a third party; or c) a sale of all or substantially all of the operating HoldCo Group Companies, or the whole or substantially all of the business of the HoldCo Group, to a third party.
Fair Market Value	means the fair market value of the Options Shares as at the date the relevant Retention Option is exercised, as determined by the HoldCo Board acting reasonably, which must not be less than A\$1.00 per Class B Share.
Fairly Disclosed	means disclosed in sufficient detail to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme to identify the nature and potential impact of the relevant fact, matter, circumstance or event.
FATA	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
FIRB	means the Australian Foreign Investment Review Board.
FIRB Approval	has the meaning given in Section 7.1a).
First Court Date	means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Forfeiture Condition	means, where the Rolling InvoCare Executive's employment by a subsidiary of InvoCare: a) is terminated for serious misconduct or breach of his or her employment contract; or b) terminates on or before the date which is two years after the date of implementation of the Scheme by reason of the Rolling InvoCare Executive's resignation, and the Rolling InvoCare Executive commences employment with a Competitor (which has the meaning with the Retention Agreement Letter Deeds) within 12 months of the date on which the Rolling InvoCare Executive's termination occurred
FUM	means the prepaid funds held under management in trust as set out in Folder 02.02.C.iv of the Data Room, which for the avoidance of doubt includes the funds held by Over Fifty Guardian Friendly Society Limited (ACN 087 649 063) as trustee for the Over Fifty Guardian Prepaid Funeral Fund Number 6.
FY23 Accounts	has the meaning given to that term in Section 7.2d).
FY23 STI	has the meaning given to that term in Section 7.2c).
Gateway Condition	has the meaning given to that term in Section 7.2c).
Government Agency	means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC, ASX, the Australian Competition and Consumer Commission, FIRB, the Takeovers Panel and equivalent bodies outside Australia).
GST	has the meaning given to that term in the GST Act.
GST Act	has the meaning given to that term in Section 11.1.
HoldCo	means Eternal Aus HoldCo Ltd (ACN 669 042 782).
HoldCo Board	means the board of directors of HoldCo.
HoldCo Constitution	means the constitution of HoldCo.
HoldCo Group	means HoldCo and each of its Subsidiaries and each of its or their interests in joint ventures or other entities (including trusts), from time to time.
HoldCo Group Company	means a member of the HoldCo Group.
HoldCo Share Register	means the register of members of HoldCo maintained by or on behalf of HoldCo in accordance with the Corporations Act.
HoldCo Shareholders' Deed	means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo, amongst others, substantially on the terms set out in Appendix E or such other form as agreed in writing by the parties.



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continued

Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as InvoCare and BidCo agree in writing.
Independent Expert	means Kroll.
Independent Expert's Report	means the report issued by the Independent Expert in connection with the Scheme, dated 22 September 2023 and attached at Appendix B, and including any subsequent, updated or supplementary report, setting out the Independent Expert's opinion as to whether or not the Transaction is in the best interests of InvoCare Shareholders and the reasons for holding that opinion.
Ineligible Foreign Shareholders	means a Scheme Shareholder whose address shown in the InvoCare Share Register at 7:00 pm on the Scheme Record Date is a place outside Australia and its external territories, unless BidCo determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with Class B Shares when the Scheme becomes Effective.
Insolvency Event	means in relation to an entity: a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days); b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; c) the entity executing a deed of company arrangement; d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed; e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or f) the entity being deregistered as a company or otherwise dissolved, g) or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.
Interested Person	has the meaning given in Section 7.1a).
InvoCare	means InvoCare Limited (ACN 096 437 393).
InvoCare Board	means the board of directors of InvoCare.
InvoCare Director	means any director of InvoCare comprising part of the InvoCare Board.
InvoCare Equity Incentive	means the Options, Share Rights, Performance Rights and Restricted Shares as listed in Schedule 3 of the Scheme Implementation Deed.
InvoCare Group	means InvoCare and each of its Related Bodies Corporate, and a reference to an 'InvoCare Group Member' or a 'member of the InvoCare Group' is to InvoCare or any of its Related Bodies Corporate.
InvoCare Information	means information regarding the InvoCare Group prepared by InvoCare for inclusion in this Scheme Booklet, which for the avoidance of doubt comprises the entirety of this Scheme Booklet other than the Bidder Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions) and any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external advisor to InvoCare.
InvoCare Registry	means Link Market Service Limited of Level 12, 680 George Street, Sydney NSW, 2000.
InvoCare Representations and Warranties	means the representations and warranties given by InvoCare as outlined at Schedule 1 of the Scheme Implementation Deed.
InvoCare Share	means a fully paid ordinary share in the capital of InvoCare.
InvoCare Share Register	means the register of members of InvoCare maintained by the InvoCare Registry in accordance with the Corporations Act.
InvoCare Shareholder	a) subject to paragraph (b) of this definition, means each person who is registered in the InvoCare Share Register as a holder of an InvoCare Share other than the Excluded Shareholders; and b) when used in the context of the Special Dividend, means each person who is registered in the InvoCare Share Register as a holder of an InvoCare Share.
InvoCare Shareholder Information Line	means the InvoCare shareholder information line on 1800 774 615 (within Australia) or +61 1800 774 615 (outside Australia), which is available between 8:30am and 5:00pm, Monday to Friday.

IPO	an initial public offering of shares in HoldCo, shares in any Subsidiary or shares in a company of which HoldCo is or will be a wholly owned subsidiary in conjunction with an application for the quotation of those shares on the shares exchange.
ITAA 1936	has the meaning given to that term in Section 11.1.
ITAA 1997	has the meaning given to that term in Section 11.1.
Kroll	means Kroll Australia Pty Ltd ACN 116 738 535.
Last Date for Proxy Forms	is currently expected to be 10:00 am on 29 October 2023, or such other date as may be agreed in writing between InvoCare and BidCo or as may be required by ASIC or ASX.
Last Practicable Date	means 18 September 2023.
Lenders	means: <ul style="list-style-type: none"> a) Apollo Capital Management, L.P.; b) KKR Credit Advisors (Singapore) Pte. Ltd.; c) Ares Capital Management LLC; d) AUSSLP Pte. Limited; e) ASC Australia Pte. Limited; f) Barings Australia Pty Limited; g) Deutsche Bank AG, Sydney Branch; h) Macquarie Principal Finance Pty Ltd; i) Perpetual Corporate Trust Limited as custodian for the Metrics Credit Partners Diversified Australian Senior Loan Fund; j) Partners Group (Singapore) Pte. Ltd.; k) KPCF Investments Pte. Ltd; and l) Nomura Singapore Limited.
Liquidity Event	means: <ul style="list-style-type: none"> a) an initial public offering of shares in HoldCo, shares in any subsidiary of HoldCo, or shares in a company of which HoldCo is or will be a wholly owned subsidiary; b) a sale of all, or substantially all, of the shares in HoldCo to a Third Party; or c) a sale of all or substantially all of the operating HoldCo Group Companies, or the whole or substantially all of the business of the HoldCo group to a Third Party.
Listing Rules	means the official listing rules of the ASX.



13 Glossary

continued

Material Adverse Change	<p>means an event, change, condition, matter, circumstance or thing occurring or becoming known to BidCo on or after, or being reasonably likely to occur after, the date of the Scheme Implementation Deed, which, whether individually or when aggregated with all events, changes, conditions, matters, circumstances or things that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have, the effect of:</p> <ul style="list-style-type: none"> a) a diminution in the consolidated net assets of the InvoCare Group (excluding FUM and pre-paid liabilities) taken as a whole, by at least \$50,000,000, as compared to what the consolidated net assets of the InvoCare Group could reasonably have expected to have been but for the relevant event, change, condition, circumstance, thing, occurrence or matter; or b) a diminution in the consolidated EBITDA over a 12 month period of the InvoCare Group taken as a whole, of at least \$20,000,000 as compared to what the consolidated EBITDA of the InvoCare Group could reasonably have expected to have been but for the relevant event, change, condition, circumstance, thing, occurrence or matter, <p>in each case, other than those events, changes, conditions, matters, circumstances or things:</p> <ul style="list-style-type: none"> c) that were Fairly Disclosed in: <ul style="list-style-type: none"> i) the Disclosure Materials; ii) an announcement made by an InvoCare or a InvoCare Group Member to the ASX in the three years prior to the date of the Scheme Implementation Deed; iii) a publicly available document lodged by InvoCare or an InvoCare Group Member with ASIC (which would be disclosed in a search of ASIC's records that are open to public inspection) in the three years prior to the date of the Scheme Implementation Deed; or iv) a publicly available document which would be disclosed in a search of the PPS Register or the public records maintained by the Relevant Courts (as defined in the Disclosure Letter), in relation to an InvoCare Group Member as at the applicable dates set out in the Disclosure Letter; d) that are within the actual knowledge of BidCo prior to the date of the Scheme Implementation Deed; e) arising from changes in economic or business conditions (including changes to interest rates, exchange rates, commodity prices or markets (including domestic or international financial markets)) other than where such matters have a materially disproportionate effect on the InvoCare Group as compared to other participants in the industry in which the InvoCare Group operates; f) arising from any change in law, regulation, generally accepted accounting standards or generally accepted accounting principles or the interpretation of any such standards or principles, or policy of a Government Agency; g) required or expressly permitted to be done or procured by the InvoCare Group under a Transaction Document; h) agreed to, or requested by, BidCo in writing; or (i) arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.
Maximum Scrip Threshold	means 20% of the total issued capital of HoldCo as at the Implementation Date.
Meeting Record Date	is currently expected to be 7:00pm on 29 October 2023, or such other date as may be agreed in writing between InvoCare and BidCo or as may be required by ASIC or ASX.
MezzCo	means Eternal Aus MezzCo Pty Ltd (ACN 669 047 518).
MidCo	means Eternal Aus MidCo Pty Ltd (ACN 669 050 408).
Minimum Scrip Threshold	means 5%, or such lesser percentage as notified by BidCo to InvoCare in writing at least three Business Days prior to the date of the Scheme Meeting, of the total issued capital of HoldCo as at the Implementation Date.
Mixed Consideration Option 1	<p>means:</p> <ul style="list-style-type: none"> a) the Cash Consideration for each Scheme Share, in respect of 75% of the Scheme Shares; plus b) the Scrip Consideration for each Scheme Share, in respect of the other 25% of the Scheme Shares, <p>held by a Scheme Shareholder who has made a Mixed Election Option 1.</p>

Mixed Consideration Option 2	means: a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares, held by a Scheme Shareholder who has made a Mixed Election Option 2.
Mixed Consideration Option 3	means: a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus b) Scrip Consideration for each Scheme Share, in respect of the other 75% of the Scheme Shares, held by a Scheme Shareholder who has made a Mixed Election Option 3.
Mixed Election Option 1	means an election by an InvoCare Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that InvoCare Shareholder.
Mixed Election Option 2	means an election by an InvoCare Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that InvoCare Shareholder.
Mixed Election Option 3	means an election by an InvoCare Shareholder to receive the Mixed Consideration Option 3 for the Scheme Shares held by that InvoCare Shareholder.
Notice of Scheme Meeting	means the notice in relation to the Scheme Meeting, as set out in Appendix A.
Nominee	means an independent third party trustee company appointed by HoldCo from time to time under the Nominee Deed to hold Class B Shares on bare trust pursuant to the terms of the Nominee Deed and the HoldCo Shareholders' Deed.
Nominee Deed	means any nominee deed entered into on or around the date of the HoldCo Shareholders' Deed between HoldCo and the Nominee.
OIO	means the New Zealand Overseas Investment Office.
OIO Act	means the <i>Overseas Investment Act 2005</i> (NZ).
OIO Approval	has the meaning given in Section 7.1a).
Options	means the options to acquire InvoCare Shares issued under InvoCare's long term incentive plans as listed in Schedule 3 of the Scheme Implementation Deed.
Options Shares	has the meaning given in Section 7.2d).
Performance Rights	means the performance rights awarded or granted under InvoCare's long-term incentive schemes and employee share schemes as listed in Schedule 3 of the Scheme Implementation Deed.
Permitted Encumbrance	means any Encumbrance: a) granted by any member of the InvoCare Group in the ordinary course of business; b) which arises by operation of law or legislation; c) granted by any InvoCare Group Member in connection with the Existing Financing; d) which is permitted under the Debt Commitment Letter or the Debt Financing; or e) which is Fairly Disclosed in the Disclosure Letter.



Prescribed Occurrence	means other than anything: <ul style="list-style-type: none">a) Fairly Disclosed in:<ul style="list-style-type: none">i) the Disclosure Materials; orii) an announcement made by InvoCare or an InvoCare Group Member to the ASX in the three years prior to the date of the Scheme Implementation Deed;b) which is within the actual knowledge of BidCo before the date of the Scheme Implementation Deed;c) required by any applicable law or regulation;d) required or expressly permitted to be done or procured by the InvoCare Group in connection with a Transaction Document;e) agreed to, or requested by, BidCo in writing, the occurrence of any of the following: <ul style="list-style-type: none">f) InvoCare converting all or any of its securities (including the InvoCare Shares) into a larger or smaller number;g) any InvoCare Group Member resolving to reduce its share capital in any way;h) an InvoCare Group Member entering into a buy-back agreement or resolving to approve the terms of a buy-back agreement under the Corporations Act;i) an InvoCare Group Member issuing shares (including InvoCare Shares), or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a right or an option, other than to a wholly-owned Subsidiary of InvoCare;j) an InvoCare Group Member issuing or agreeing to issue securities convertible into shares (including any issue or agreement to issue performance rights or options or debt securities);k) an InvoCare Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;l) an InvoCare Group Member making any change to its constitution or constituent documents, other than where an InvoCare Group Member that is not material in the context of the InvoCare Group (taken as a whole) makes a change to its constitution or constituent document that does not materially affect the Transaction or the InvoCare Group (or its business);m) an InvoCare Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (whether by way of a single transaction or series of related transactions);n) an InvoCare Group Member creating or granting an Encumbrance, or agreeing to create or grant an Encumbrance, in respect of the whole, or a substantial or material part, of the business, assets or property of the InvoCare Group, other than a Permitted Encumbrance; oro) an Insolvency Event occurs in relation to an InvoCare Group Member.
Proxy Form	means the proxy form for the Scheme Meeting, a sample of which is enclosed with this Scheme Booklet.
PPS Register	means the register established under the PPSA.
PPSA	means the Personal Property Securities Act 2009 (Cth).
Put Option 1	has the meaning given to that term in Section 7.2d).
Put Option 2	has the meaning given to that term in Section 7.2d).
Put Option 3	has the meaning given to that term in Section 7.2d).
Recommendation	has the meaning given to that term in clause 8.1(b) of the Scheme Implementation Deed.
Registered Addresses	means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the InvoCare Share Register.
Regulatory Approvals	means FIRB Approval and OIO Approval.
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.

Related Person	means in respect of a person, including each party or its Related Bodies Corporate: a) a director, officer, employee of that person; b) an adviser of that person (and each director, officer, employee or contractor of that adviser); c) an agent or representative of that person; and d) a Related Body Corporate of that person.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Representatives:	a) means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate; and b) when used in respect of the HoldCo Shareholders' Deed, means, in relation to an entity, an employee, officer, director or adviser of that entity.
Restricted Shares	means the restricted InvoCare Shares issued under InvoCare's exempt employee share scheme as listed in Schedule 3 of the Scheme Implementation Deed.
Retention Agreement	has the meaning given to that term in Section 7.2c).
Retention Agreement Letter Deeds	has the meaning given to that term in Section 7.2d).
Retention Option	means the Put Option 1, Put Option 2, Put Option 3 and Call Option.
Retention Shares	means: a) prior to the Implementation Date, a Rolling InvoCare Executive's Rollover Shares; and b) on and from the Implementation Date, a Rolling InvoCare Executive's Class B Shares received as Scrip Consideration in respect of their Rollover Shares.
Reverse Break Fee	means \$18,300,000.
RG 60	means Regulatory Guide 60 issued by ASIC in September 2020.
Rolling InvoCare Executives	has the meaning given to that term in Section 7.2d).
Rollover Shares	has the meaning given to that term in Section 7.2d).
Scaleback Mechanism	means the scaleback mechanism set out in clause 5.8 of the Scheme Implementation Deed.
Scheme	means the scheme of arrangement under Part 5.1 of the Corporations Act between InvoCare and the Scheme Shareholders, the form of which is attached at Appendix C, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by BidCo and InvoCare.
Scheme Booklet	means this document, including each appendix.
Scheme Consideration	means in respect of a Scheme Shareholder (depending on the Elections made by the Election Date and subject to the Scaleback Mechanism and the terms of the Scheme): a) All Cash Consideration; b) All Scrip Consideration; c) Mixed Consideration Option 1; d) Mixed Consideration Option 2; e) Mixed Consideration Option 3; or f) Custom Consideration.
Scheme Implementation Deed	means the Scheme Implementation Deed between InvoCare and BidCo, dated 9 August 2023 and as amended on 1 September 2023. A summary is set out in Section 7.1, and a copy is attached in full to InvoCare's ASX announcement on 9 August 2023, which is available at ASX's website at www.asx.com.au or InvoCare's website at www.InvoCare.com.au/investor-relations/share-info/ .



13 Glossary

continued

Scheme Meeting	means the meeting of InvoCare Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	means 7:00pm on the fifth Business Day after the Effective Date or such other time and date as InvoCare and BidCo agree in writing.
Scheme Resolution	means the resolution in relation to the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.
Scheme Shareholder	means an InvoCare Shareholder as at the Scheme Record Date, other than any Excluded Shareholder.
Scheme Shares	means all InvoCare Shares held by the Scheme Shareholders as at the Scheme Record Date and, for the avoidance of doubt, does not include any InvoCare Share held by an Excluded Shareholder as at the Scheme Record Date.
Scrip Consideration	means such number of Class B Shares as is equivalent to \$12.70 minus the actual amount of any Special Dividend that is declared and paid per Scheme Share.
Scrip Consideration Options	means in respect of a Scheme Shareholder (depending on the Elections made by the Election Date and subject to the Scaleback Mechanism and the terms of the Scheme): a) All Scrip Consideration; b) Mixed Consideration Option 1; c) Mixed Consideration Option 2; d) Mixed Consideration Option 3; and/or e) Custom Consideration, as applicable.
Second Court Date	means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Security Interest	means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.
Share Rights	means the rights to InvoCare Shares issued under InvoCare's employee share schemes as listed in Schedule 3 of the Scheme Implementation Deed.
Share Trust	has the meaning given to that term in Section 7.2b)
Special Dividend	has the meaning given in clause 5.9(a) of the Scheme Implementation Deed.
Special Dividend Payment Date	means the date of payment of the Special Dividend (if any), as determined by the InvoCare Directors in their sole discretion, being 16 November 2023.
Special Dividend Record Date	means the record date for the Special Dividend (if any), as determined by the InvoCare Directors in their sole discretion, being 7:00pm (Sydney time) on 8 November 2023.
Subsidiary	has the meaning given in section 9 of the Corporations Act.
Superior Proposal	means a bona fide, written Competing Proposal in relation to the acquisition of more than 50% of the issued securities of InvoCare which is received by InvoCare and which the InvoCare Board determines, acting reasonably and in good faith and in order to satisfy what the InvoCare Board considers to be its fiduciary or statutory duties (after having obtained written advice from its legal adviser and financial advisers): a) is reasonably capable of being valued and implemented; and b) would, if completed in accordance with its terms, be more favourable to InvoCare Shareholders than the Transaction (as the Transaction may be amended or varied following the application of the matching right set out in clause 12.6 of the Scheme Implementation Deed), taking into account all aspects of the Competing Proposal and the Transaction (as the Transaction may be amended or varied following the application of the matching right set out in clause 12.6 of the Scheme Implementation Deed), including the consideration (including the value, nature, liquidity and attractiveness of any scrip based consideration), conditions, the identity, reputation and financial condition of the person making the Competing Proposal, and all relevant legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant Competing Proposal being completed in accordance with its terms.

Swaps	means the UBS Swap and the Credit Suisse Swap.
Syndicated Acquisition Facility	has the meaning given to it in Section 9.5b)(ii).
Takeovers Panel	means the Australian Takeovers Panel.
Tax Act	means the Income Tax Assessment Act 1997 (Cth).
Tax Confirmations	means, in relation to the Special Dividend: <ul style="list-style-type: none"> a) a draft class ruling from the ATO (or their indicative confirmation); and b) any other administrative guidance from the ATO which InvoCare and BidCo both consider appropriate, in each case, in a form acceptable to InvoCare.
Tax Event	means the earlier of: <ul style="list-style-type: none"> a) the date upon which the Forfeiture Condition no longer applies to the Retention Shares; and b) the date on which the Commissioner of Taxation determines that the deferred taxing point under Division 83A-C Income Tax Assessment Act 1997 occurred at an earlier time, excluding any circumstances where such determination occurs due to an action or omission of the Rolling InvoCare Executive, for example (but not limited to) circumstances where the Rolling InvoCare Executive initiates the earlier time tax event by taking such a position in their income tax return.
Third Party	means: <ul style="list-style-type: none"> a) when used in the definition of "Liquidity Event": <ul style="list-style-type: none"> i) a shareholder in HoldCo; or ii) an affiliate of a shareholder in HoldCo; and b) where used elsewhere in this Scheme Booklet, a person other than InvoCare, BidCo, or their respective Related Bodies Corporate, or BidCo's Associates.
TPG	means the global private investment firm known as "TPG".
TPG Asia VII	means TPG Asia VII SF Pte. Ltd. (UEN 201724102G).
TPG Asia VIII	means TPG Asia VIII SF Pte. Ltd. (UEN 202222280R).
TPG Asia VIII SPV	means TPG Asia VIII SPV GP, LLC (File Number 6842238).
TPG Capital	means TPG Capital (Australia) Pty Ltd (ACN109 732 452).
TPG Director	means each HoldCo director who is appointed by the TPG Shareholder who is not considered by the HoldCo Board to be an independent director of the HoldCo Board by virtue of being an affiliate of the TPG Shareholder.
TPG Shareholders	means Blue Eternal and TPG Asia VIII SPV.
Transaction	means the acquisition of the Scheme Shares by BidCo through the implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.
Transaction Documents	means: <ul style="list-style-type: none"> a) the Scheme Implementation Deed; b) the Scheme; and c) the Deed Poll.
Treasurer	means the Treasurer of the Commonwealth of Australia.
Trust Account	means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by or on behalf of InvoCare as trustee for the Scheme Shareholders (except that any interest on the amount deposited, less bank fees and other charges, will accrue for the benefit of BidCo), details of which InvoCare must notify to BidCo no later than 5 Business Days before the Implementation Date.
UBS	means UBS AG, Australia Branch.
UBS Swap	means the total return equity swap described in Section 9.7a).
Voting Power	has the meaning given in the Corporations Act.
VWAP	means the volume weighted average price.



13.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

- a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- b) words importing a gender include any gender;
- c) words importing the singular include the plural and vice versa;
- d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;
- f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- h) a reference to time is a reference to time in Sydney, Australia;
- i) a reference to writing includes facsimile transmissions; and
- j) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.



APPENDIX A





Notice of Scheme Meeting



Appendix A Notice of Scheme Meeting

NOTICE OF SCHEME MEETING

Notice is hereby given that, by an order of the New South Wales Supreme Court of Australia made on Friday, 22 September 2023 pursuant to Section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in InvoCare Limited (ABN 42 096 437 393) (InvoCare) other than the Excluded Shareholders will be held at :

-  10:00 am (Sydney time)
-  on Tuesday, 31 October 2023 in person
-  at 'The Mint' at 10 Macquarie Street, Sydney NSW 2000
-  and virtually through the online meeting platform at www.meetings.linkgroup.com/IVCScheme23 (Scheme Meeting).

Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which InvoCare and BidCo agree in writing) proposed to be entered into between InvoCare and InvoCare Shareholders as at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the Scheme Resolution.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with this Notice of Scheme Meeting, forms part of the Scheme Booklet.

Capitalised terms used in this Notice of Scheme Meeting but not defined in it have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

Business of the Scheme Meeting – Scheme Resolution

To consider and, if thought fit, to pass the following Scheme Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which InvoCare and BidCo agree in writing) and the InvoCare Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'

Chairman

The Court has directed that Bart Vogel is to act as Chairman of the Scheme Meeting (and that, if Bart Vogel is unable or unwilling to attend, Richard Davis is to act as Chair of the Scheme Meeting) and has directed the Chair to report the result of the Scheme Resolution to the Court.

Dated 22 September 2023

By order of the Court and the InvoCare Board



Heidi Aldred

Company Secretary

EXPLANATORY NOTES FOR THE SCHEME MEETING

These notes should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet (of which the Notice of Scheme Meeting forms part). The Scheme Booklet contains important information to assist you in deciding how to vote at the Scheme Meeting.

Unless the context requires otherwise, terms used in the Notice of Scheme Meeting and in these explanatory notes have the same meaning as set out in the Glossary in Section 13 of the Scheme Booklet.

A copy of the Scheme is set out in Appendix C to the Scheme Booklet.

1. Requisite majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- o unless the Court orders otherwise, a majority in number (i.e. more than 50%) of InvoCare Shareholders present and voting at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative); and
- o at least 75% of the votes cast on the Scheme Resolution by InvoCare Shareholders present and voting at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative).

2. Court approval

If the Scheme Resolution (set out in the Notice of Scheme Meeting) is approved at the Scheme Meeting by the requisite majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, InvoCare intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the Scheme Resolution to be put to the Scheme Meeting are set out in the Scheme Booklet.

3. Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the meeting is 7:00pm (Sydney time) on 29 October 2023. This means that any InvoCare Shareholders entered on the InvoCare Share Register at that time will be entitled to attend and vote at the Scheme Meeting. Voting will be conducted by poll. Every InvoCare Shareholder who is present virtually, in person or by proxy, representative or attorney will have one vote for each InvoCare Share held by that InvoCare Shareholder.

Both BidCo and its associates (as defined in section 12 of the Corporations Act) are excluded from voting on the Scheme Resolutions, unless:

- o the vote is cast by the associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- o the associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an associate of BidCo.

4. Voting

You may vote virtually or in person at the Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Voting in person

To vote in person at the Scheme Meeting, InvoCare Shareholders must attend the Scheme Meeting. An InvoCare Shareholder entitled to attend and vote at the Scheme Meeting will be admitted to the Scheme Meeting upon providing evidence of his or her name and address at the point of entry to the Scheme Meeting.

Voting online

The InvoCare Directors encourage InvoCare Shareholders to participate in the Scheme Meeting virtually via the online meeting platform at www.meetings.linkgroup.com/IVCScheme23. While InvoCare Shareholders will be able to vote on the Scheme Resolution online during the Scheme Meeting in real time, InvoCare Shareholders are encouraged to vote by proxy ahead of the Scheme Meeting by completing and lodging a Proxy Form. If you are unable to attend, please lodge your vote online at www.investorcentre.linkgroup.com.

InvoCare Shareholders participating in the Scheme Meeting using the online meeting platform at www.meetings.linkgroup.com/IVCScheme23 will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chair during the meeting.



Appendix A Notice of Scheme Meeting

continued

By participating in the Scheme Meeting online you will be able to:

- o hear and view meeting slides;
- o submit questions at the appropriate time while the meeting is in progress; and
- o vote during the meeting.

If you choose to participate in the Scheme Meeting online, registration will open at 9:30am (Sydney time) on 31 October 2023. To participate in the Scheme Meeting online, you can log in to the meeting by entering the URL www.meetings.linkgroup.com/IVCScheme23 into a web browser on your computer, tablet or smart phone.

Once on the URL, InvoCare Shareholders will need the following information to participate in the Scheme Meeting in real-time:

1. Your postcode registered to your holding if you are an Australian InvoCare Shareholder.
2. Overseas InvoCare Shareholders should select the country of domicile.
3. The VAC (Voter Access Code) for the Scheme Meeting, this will be printed on the Proxy Form or provided in the Scheme Meeting email communication.

Instructions on how to log on to ask questions during the Scheme Meeting are outlined below and available here www.InvoCare.com.au/investor-relations. Please note, only InvoCare Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. InvoCare Shareholders are therefore encouraged to lodge questions prior to the Scheme Meeting at www.investorcentre.linkgroup.com/Login/Login by 10.00am (Sydney time), 29 October 2023.

Further information regarding participating in the Scheme Meeting online, including browser requirements, is detailed in the Online Meeting Guide available here: www.InvoCare.com.au/investor-relations.

Voting by proxy

An InvoCare Shareholder entitled to attend and vote at the Scheme Meeting can vote by proxy. The Proxy Form is enclosed with the Scheme Booklet. A proxy need not be an InvoCare Shareholder and may be an individual or a body corporate.

Instructions on how to complete and lodge the Proxy Form are included on the form. Please note that the Proxy Form must be received by the InvoCare Registry, whose details are listed below, by no later than 10:00 am (Sydney time) on 29 October 2023. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the InvoCare Registry at the same time as the Proxy Form (unless previously provided to the InvoCare Registry).

An InvoCare Shareholder entitled to attend and cast two or more votes at the Scheme Meeting is entitled to appoint no more than two proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the InvoCare Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the InvoCare Shareholder's votes.

If you do not instruct your proxy on how to vote, you will be taken (for all relevant purposes) to have given your proxy discretion as to how to vote and your proxy may vote as he or she sees fit at the Scheme Meeting.

An InvoCare Shareholder may appoint the Chairman of the Scheme Meeting as their proxy by nominating him in the Proxy Form. If an InvoCare Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairman of the Scheme Meeting will automatically be their proxy. If an InvoCare Shareholder returns their Proxy Form but their nominated proxy does not attend the Scheme Meeting, then their proxy will revert to the Chairman of the Scheme Meeting. For resolutions determined on a poll, if an InvoCare Shareholder's nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution in accordance with the InvoCare Shareholder's directions, the Chairman of the Scheme Meeting is taken, before voting on the Scheme Resolution closes, to have been appointed as the InvoCare Shareholder's proxy for the purposes of voting on the Scheme Resolution.

The Chairman of the Scheme Meeting intends to vote all available proxies in favour of the Scheme Resolution.

Voting by proxy through power of attorney

For persons voting by proxy through powers of attorney, a certified copy of the power of attorney must be received by the InvoCare Registry by no later than 10:00am (Sydney time) on 29 October 2023. A certified copy of a power of attorney may be submitted in the same manner as a completed Proxy Form as described below.

Voting by corporate representative

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act, in which case InvoCare will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with InvoCare before the Scheme Meeting or at the registration desk on the day of the Scheme Meeting.

Jointly held securities

If InvoCare Shares are jointly held, either one of the joint InvoCare Shareholders is entitled to vote at the Scheme Meeting. If more than one joint InvoCare Shareholder votes in respect of jointly held InvoCare Shares, only the vote of the InvoCare Shareholder whose name appears first in the InvoCare Share Register will be counted.

Lodgement of proxies

A personalised Proxy Form is enclosed with the Notice of Scheme Meeting. Instructions on how to complete and lodge the Proxy Form are included on the form. If you appoint a proxy, InvoCare encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

InvoCare Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the Scheme Meeting online or in person and to exercise your voting instructions. Appointed proxies will need to contact the InvoCare Registry to obtain a username and password to vote online.

To vote by proxy, please either:

- A. lodge your proxy online at www.investorcentre.linkgroup.com/Login/Login and follow the prompts; or
- B. complete and sign the Proxy Form enclosed with this Notice of Scheme Meeting and return the Proxy Form either:
 - o by post to InvoCare Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia;
 - o in person to Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 or Level 12, 680 George Street, Sydney NSW 2000; or
 - o by facsimile to Link Market Services Limited on facsimile number +612 9287 0309,

so that it is received by no later than 10:00 am (Sydney time) on 29 October 2023.

5. Technical difficulties

Technical difficulties may arise during the Scheme Meeting. The Chairman has discretion as to whether and how the Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of InvoCare Shareholders impacted and the extent to which participation in the business of the Scheme Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, InvoCare Shareholders are encouraged to lodge a proxy by 10:00 am (Sydney time) on 29 October 2023.



Appendix A Notice of Scheme Meeting

continued

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APPENDIX B

Independent Expert's Report

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Sydney NSW 2000
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Ph: (02) 8286 7200
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The Directors
InvoCare Limited
Level 5, 40 Mount Street
North Sydney NSW 2060

22 September 2023

Dear Directors

Part One – Independent Expert's Report

1 Introduction

On 9 August 2023, InvoCare Limited (**InvoCare**) announced that it had entered into a Scheme Implementation Deed with Eternal Aus BidCo Pty Ltd (**BidCo**), an entity ultimately owned by funds managed or advised by TPG Capital Asia (**TPG**), under which BidCo would acquire 100% of the issued ordinary shares in InvoCare (**InvoCare Shares**) which are not already held by it or its related entities by way of a scheme of arrangement (**Scheme**) (**Transaction**).

Under the Scheme, InvoCare shareholders (**InvoCare Shareholders**) other than the Excluded Shareholders¹ who hold InvoCare Shares on the Scheme Record Date² (**Scheme Shareholders**) (other than those who make a valid election to receive a Scrip Consideration Option described below, subject to the Minimum Scrip Threshold being satisfied, and BidCo's intentions³) will receive total cash consideration of \$12.70 for each InvoCare Share held at the Scheme Record Date (**All Cash Consideration**), less the cash amount of any special dividend that may be declared and paid by InvoCare prior to implementation of the Scheme.

The InvoCare Board currently intends to pay a fully franked special dividend of up to \$0.60 per InvoCare Share held by an InvoCare Shareholder⁴ as at the Special Dividend Record Date⁵ that may be declared and paid by InvoCare before the Scheme is implemented (**Special Dividend**). The Special Dividend is expected to result in franking credits of up to approximately \$0.257 per InvoCare Share.

As an alternative to receiving the All Cash Consideration, eligible InvoCare Shareholders (those who have an Australian registered address at 7:00 pm on the Scheme Record Date) have the option to elect to receive for all or a portion of their InvoCare Shares, Class B Shares in Eternal Aus HoldCo Ltd (**HoldCo**), an unlisted newly incorporated entity which is a holding company of BidCo, that would enable InvoCare Shareholders to retain an interest in the InvoCare business after the proposed Scheme has been implemented (**Scrip Consideration Options**). Subject to certain qualifications, including the Minimum Scrip Threshold being

¹ As defined in the Scheme Implementation Deed.

² 7.00 pm on 29 October 2023.

³ If the aggregate valid Elections represent less than 5% of the issued capital of InvoCare as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.

⁴ Including the Excluded Shareholders.

⁵ The record date for the Special Dividend (if any), as determined by the InvoCare Directors in their sole discretion, being 8 November 2023.



satisfied, and BidCo's intentions,⁶ eligible InvoCare Shareholders can elect to receive one of the following Scrip Consideration Options:

- **Mixed Consideration Option 1:** Cash Consideration in respect of 75% of their InvoCare Shares, plus Class B Shares in respect of the remaining 25%;
- **Mixed Consideration Option 2:** Cash Consideration in respect of 50% of their InvoCare Shares, plus Class B Shares in respect of the remaining 50%;
- **Mixed Consideration Option 3:** Cash Consideration in respect of 25% of their InvoCare Shares, plus Class B Shares in respect of the remaining 75%;
- **All Scrip Consideration Option:** Class B Shares in respect of 100% of their InvoCare Shares; or
- **Custom Consideration Option:** a custom percentage of All Cash Consideration and Class B Shares, as agreed with BidCo, in its absolute discretion, in writing.

In each of the Scrip Consideration Options, the Scrip Consideration will be such number of Class B Shares as is equivalent to \$12.70 minus the amount of any Special Dividend. Each Class B Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per Class B Share.

In aggregate, elections for a minimum of 5% (or such lesser percentage as notified by BidCo to InvoCare at least 3 Business Days prior to the date of the Scheme Meeting) of the total issued capital of HoldCo as at the Implementation Date are required for the minimum scrip threshold to be satisfied (**Minimum Scrip Threshold**). If the Minimum Scrip Threshold is not satisfied,⁷ all InvoCare Shareholders will receive the All Cash Consideration. A scaleback mechanism will apply if elections made by eligible InvoCare Shareholders would result in InvoCare Shareholdings holding, in aggregate, more than 20% of the total issued capital of HoldCo on the implementation of the Scheme (**Maximum Scrip Threshold**).

InvoCare Shareholders who elect to receive a Scrip Consideration Option (and are InvoCare Shareholders on the Special Dividend Record Date) will also receive any Special Dividend that may be declared and paid by InvoCare.

The All Cash Consideration will be the default form of consideration. That is, an InvoCare Shareholder who does not make a valid election will receive the All Cash Consideration. Ineligible Foreign Shareholders and persons who become InvoCare Shareholders after the Election Date will also receive the All Cash Consideration.

The conditions which the implementation of the Scheme is subject to are set out in Section 5.2 of this report.

InvoCare is a global provider of funerals, burials, and cremations, in Australia, New Zealand, and Singapore, and operates private memorial parks (cemeteries) and crematoria in Australia and New Zealand. It also provides pet cremation services in Australia. In Australia, which is InvoCare's core market, it is the leading provider⁸ of funeral services. It is also the leading provider of cemetery and cremation services in Australia, the leading provider of funeral services in New Zealand, and the leading provider of funeral services to the ethnic Chinese market in Singapore. As at 6 March 2023, the last trading day prior to the announcement of TPG's indicative proposal on 7 March 2023 of \$12.65 per InvoCare Share (**Initial Proposal**), InvoCare had a market capitalisation of \$1,290.2 million.⁹

TPG is a global investment firm founded in 1992 which invests in companies across a broad range of industries and geographies. Its investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit and public equity. As at September 2023, TPG had approximately US\$139 billion in assets under management worldwide. TPG has a 19.175% relevant interest in InvoCare.¹⁰

⁶ Refer to footnote 3.

⁷ As set out in Section 9.4 a) of the Scheme Booklet, if the aggregate valid Elections will represent less than 5% of the issued capital of InvoCare as at the Implementation Date, BidCo currently intends to notify InvoCare (in accordance with the terms of the Scheme Implementation Deed) that the Minimum Scrip Threshold percentage is equal to or less than the amount represented by the aggregate valid Elections.

⁸ Market share statistics are supplied by InvoCare and based on CY22 funeral case volumes.

⁹ Calculated as closing price on 6 March 2023 of \$8.95 multiplied by 144,156,462 diluted InvoCare Shares on issue, inclusive of cash settled Share Rights and Performance Rights of participants outside of Australia and in the money Options.

¹⁰ See section 8.12.1 of this report for details.



The Scheme is subject to approval by InvoCare Shareholders of the Scheme Resolution at a meeting (**Scheme Meeting**)¹¹ to be held on 31 October 2023. For the Scheme to proceed, the Scheme Resolution must be approved by at least 75% of all votes cast by InvoCare Shareholders (other than the Excluded Shareholders) in person, virtually or by proxy, attorney or corporate representative and 50% in number of InvoCare Shareholders present and voting (in person, virtually or by proxy, attorney or corporate representative) (other than the Excluded Shareholders).

In order to assist InvoCare Shareholders in assessing the Scheme, the directors of InvoCare (**InvoCare Directors**) have appointed Kroll Australia Pty Ltd (**Kroll**) to prepare an independent expert's report setting out whether, in our opinion, the Scheme is fair and reasonable and in the best interests of InvoCare Shareholders, in the absence of a superior proposal.

This report sets out Kroll's opinion as to the merits or otherwise of the Scheme and will be included in the Scheme Booklet and Explanatory Statement (**Scheme Booklet**) to be sent to InvoCare Shareholders.

Further information regarding Kroll, as it pertains to the preparation of this report, is set out in Appendix 1.

Kroll's Financial Services Guide is contained in Part Two of this report.

2 Scope of report

The Transaction is to be implemented by way of a scheme of arrangement under Section 411 of the Corporations Act 2001 (Cth) (**Corporations Act**) and requires approval of InvoCare Shareholders. Section 412(1) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement includes information that is material to the making of a decision by a creditor or member as to whether or not to approve the scheme.

Even where an independent expert's report is not strictly required by the law, it is not uncommon for directors to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member. It is a condition of the Scheme that an independent expert concludes (and continues to conclude) that the Scheme is in the best interests of InvoCare Shareholders (other than the TPG Shareholders¹²).

In undertaking our work, we have referred to guidance provided by the Australian Securities and Investments Commission (**ASIC**) in its Regulatory Guides in particular, Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which it expects a person preparing an independent expert report to consider.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6 of this report.

3 Opinion

3.1 Background

The deathcare industry was significantly impacted by the COVID-19 pandemic and associated government restrictions by limiting the ability of operators to deliver full-service funeral arrangements and reducing mortality rates. This impact was evident in InvoCare's FY20 Operating Revenue,¹³ Operating EBITDA,¹⁴ and Operating Earnings Per Share¹⁵ (**EPS**) which declined by 4.7%, 29.0% and 60.5%, respectively, compared to FY19. In response to the COVID-19 pandemic, InvoCare had implemented certain measures to mitigate the impact on the business. It deferred payment of the FY19 final dividend, deferred non-essential capital expenditure and strategic investment (including acquisition activities), and undertook actions to reduce or freeze operating expenditure, including hiring freezes and workforce optimisation strategies.

In May 2021, under the leadership of the new Managing Director and Chief Executive Officer Olivier Chretien, InvoCare announced the five-year, three-phase Raising the Bar strategic plan (the **Strategic Plan**). The Strategic Plan initially focused on leveraging the business' core assets to meet the changing

¹¹ Any meetings of InvoCare Shareholders as holders of InvoCare Shares, ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the scheme of arrangement.

¹² TPG Shareholders means Blue Eternal Holdings Pte Ltd. And TPG Asia VIII SPV GP, LLC.

¹³ Operating revenue is revenue for the Group excluding revenue earned from pre-paid funerals business.

¹⁴ Operating EBITDA is operating earnings before interest, tax, depreciation and amortisation and non-recurring and non-operating items. Non-operating items includes revenue and expenses related to pre-paid funerals business and excludes non-recurring items.

¹⁵ Operating earnings per share is operating net profit after tax divided by the weighted average number of shares.

needs of the customer, before shifting focus towards future growth and innovation.¹⁶ It also identified opportunities whereby existing Information Technology (IT) and business process systems could be modernised and better integrated.

Phase 1 of the Strategic Plan focused on simplifying and standardising the business' foundations and resetting the business for sustainable growth. With Phase 1 of the Strategic Plan complete, InvoCare is now focused on executing Phase 2, which is a continuation of the Phase 1 initiative but also involves expanding the core business through profitable organic and acquisitive growth, thorough digital integration, and other productivity and efficiency initiatives. This Phase is expected to take approximately 18 months to complete. There is execution risk and significant expenditure required to implement the remainder of the Strategic Plan.

InvoCare's share price declined in response to the release of its FY22 financial results on 27 February 2023, falling by 19.6% in the week following the announcement to close at \$8.89 on 3 March 2023. The market was likely concerned that InvoCare's profit growth lagged market growth (InvoCare's operating EBITDA grew 8.5% against FY21, compared to a 10.7% increase in the death rate in Australia),¹⁷ which was partially due to a 14.2% increase in finished goods, consumables and funeral disbursements.

It was at this time that InvoCare received the Initial Proposal from TPG at \$12.65 in cash per InvoCare Share. Following a period of engagement between InvoCare and TPG, InvoCare announced on 15 May 2023 that it had received a revised indicative proposal from TPG at \$13.00 in cash per InvoCare Share. Subsequently, on 9 August 2023, following a protracted period of due diligence and negotiation, and in an environment with greater market uncertainty, higher interest rates impacting funding costs and a relatively benign 2023 flu season, InvoCare announced that it had entered into a Scheme Implementation Deed with BidCo at \$12.70 in cash per InvoCare Share.

In evaluating the Scheme, we have considered both the substantial benefits expected to be achieved under the Strategic Plan as well as the risk associated with achieving those benefits. Our assessment of the Scheme is based on current market conditions and appropriately considers changes in market conditions since the revised indicative proposal.

3.2 Summary of opinion

In our opinion, on the basis of the All Cash Consideration only, the Scheme is in the best interests of InvoCare Shareholders, in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether the Scheme is:

- **fair**, by comparing the All Cash Consideration to our assessed value of an InvoCare Share on a controlling interest basis. This approach is in accordance with the guidance set out in RG 111; and
- **reasonable**, by assessing the implications of the Scheme for InvoCare Shareholders, the alternatives to the Scheme that are available to InvoCare, and the consequences for InvoCare Shareholders of not approving the Scheme Resolution.

On the basis of the All Cash Consideration only, we have assessed the Scheme to be fair and reasonable. Consequently, consistent with RG 111, we have concluded that on the basis of the All Cash Consideration only, the Scheme is in the best interests of InvoCare Shareholders, in the absence of a superior proposal.

We have assessed the value of an InvoCare Share on a controlling interest basis to be in the range \$11.61 to \$13.00. As the All Cash Consideration of \$12.70 falls within our assessed value range for an InvoCare Share, the Scheme is fair.

In forming our view as to the value of InvoCare, we have considered a range of factors including growth opportunities identified under Phase 2 of InvoCare's Strategic Plan, InvoCare's significant capital expenditure requirements, its leading positions in the Australian, New Zealand and Singapore markets, its multi-brand strategy, diversified geographical footprint and ability to leverage its large, national platform and vertically integrated business. We have also considered the anticipated return to long term death rates in FY23 and stabilisation of InvoCare's market share following a decline in FY22, and favourable demographic trends. As required under ASIC's RG 111, we have considered the synergies available to a pool of potential acquirers. Our analysis of the fairness of the Scheme is detailed further in Section 3.3 of this report.

¹⁶ Source: InvoCare Investor Strategy Day presentation 12 May 2021.

¹⁷ "Provisional Mortality Statistics Jan – Dec 2022", Australian Bureau of Statistics.



In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair on the basis of the All Cash Consideration, it is also reasonable. Regardless of this requirement, we have considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme, including:

- the All Cash Consideration represents a substantial premium to undisturbed trading prices of InvoCare Shares;
- the All Cash Consideration provides certainty of the pre-tax amount that InvoCare Shareholders will receive;
- InvoCare Shareholders who receive the All Cash Consideration will not participate in any future increases in value of InvoCare, however, they will no longer be exposed to the risks facing the business;
- in the event that the Scheme is not approved or any other conditions precedent prevent the Scheme from being implemented, InvoCare will continue to operate in its current form and its share price is likely to fall to levels consistent with the undisturbed trading price of InvoCare Shares, subject to any future financial achievements in the subsequent period, industry developments and the impact of broader trends in equity markets; and
- no superior proposal has emerged since the announcement of the Initial Proposal.

Other matters which InvoCare Shareholders should consider in assessing the Scheme include:

- InvoCare will incur transaction costs if the Scheme does not proceed;
- the outstanding conditions precedent which, if not satisfied, will result in the Scheme not being implemented; and
- the tax implications of the Scheme.

Our analysis of the reasonableness of the Scheme is detailed further in Section 3.4 of this report. The decision to approve the Scheme is a matter for individual InvoCare Shareholders based on their views as to value, expectations about future market conditions and their particular circumstances, including investment strategy and portfolio, risk profile and tax position. If in doubt, InvoCare Shareholders should consult their own professional adviser regarding the action they should take in relation to the Scheme.

3.2.1 Scrip Consideration Options

Our assessment of fairness in relation to the Scheme is based on the All Cash Consideration which is available to all InvoCare Shareholders.

Kroll has not provided an opinion on the Scrip Consideration Options as it is not possible to reliably estimate the value of a Class B Share since:

- it is not possible to determine the full underlying value of HoldCo as its strategy, cost structure and financial leverage are unknown;
- any definitive assessment of the quantum of a minority and marketability discount that would be applied to the Class B Shares is difficult given the particular rights attaching to the B Class Shares (refer Section 9.4 c) of the Scheme Booklet) and since:
 - the timing of an exit event is unknown;
 - the form of an exit event is unknown and could take the form of an initial public offering, share sale or trade sale. An initial public offering may attract a minority discount whereas a control transaction may attract a control premium; and
 - in accordance with the HoldCo Shareholders' Deed, the TPG Shareholders will make such adjustments to the drag or tag price as the TPG Shareholders determine is reasonably appropriate for different classes of HoldCo shares in the context of the proposed sale. It is probable that any such adjustment would result in a lower price received for Class B Shares than for the Class A Shares, however, the Shareholder's Deed provides no clarification as the nature, size and circumstances of any possible adjustment.

Although the exact quantum of a discount that would apply to Class B Shares relative to the value of InvoCare Shares cannot be reliably determined, Kroll considers that a substantial minority and marketability discount is warranted having regard to the terms and risks associated with the Class B Shares and in particular, having regard to the following:

- there will be no public market for trading in Class B Shares as HoldCo will be an unlisted public company, nor is there expected to be any such market in the future. In addition, we note that there are restrictions on the sale of Class B Shares;
- after implementation of the Scheme, TPG will control InvoCare as the TPG Shareholders will together hold at least an 80% interest in HoldCo and as a result of the rights attaching to the Class A Shares held by the TPG Shareholders (including rights to appoint all directors to the HoldCo Board) and will, therefore, be in a position to determine the outcome of most decisions relating to HoldCo, including the timing and terms of any exit;
- a decision to pay dividends will be at the sole discretion of the HoldCo Board. Financial covenants will result in there being restrictions on Bidder Group from declaring or paying a dividend except in limited circumstances;
- shareholders will have an investment in a company that is more highly leveraged than InvoCare is currently and will be exposed to greater risk;
- shareholders will no longer have the protections offered under the ASX Listing Rules and Australian corporate law for listed public companies;
- shareholders will also be subject to the provisions of the HoldCo Shareholders' Deed and the HoldCo Constitution and will have fewer rights as a shareholder in HoldCo compared to their current investment in InvoCare; and
- as a public company (but not a disclosing entity), financial reporting requirements are more limited.

Further, as discussed in Section 3.4.1 of this report, observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.¹⁸ These premiums are equivalent to a minority discount of 20% to 29%. Marketability discounts are typically in the order of 25%¹⁹ to 40%. These discounts are impacted by the specific facts and circumstances of each transaction including the size of the relevant shareholding. They are also not necessarily additive.

Kroll notes that in relation to the Scrip Consideration Options:

- the greater the discount applied to the Class B Shares, the lower the implied value of each of the Scrip Consideration Options;
- for any discount, the implied value of each of the Scrip Consideration Options is less than the All Cash Consideration of \$12.70;
- for a given discount, the greater the proportion of scrip, the lower the implied value of the consideration; and
- there is a breakeven point at which each of the Scrip Consideration Options could be considered to be fair. This occurs where the implied high value of the Scrip Consideration Option (presented in the chart) exceeds the low end of Kroll's assessed value per InvoCare Share of \$11.61. Refer to Section 3.5 of this report for further details.

In addition, there are a number of risks associated with holding the Class B Shares such that the Scrip Consideration Options are likely to be unattractive to most InvoCare Shareholders. These risks are set out in Section 3.5 of this report and Section 10.4 of the Scheme Booklet.

3.3 The Scheme is fair

3.3.1 Valuation of InvoCare

Kroll has assessed the value of InvoCare's equity to be in the range of \$1,673.0 million to \$1,873.0 million, which corresponds with a value per InvoCare Share of \$11.61 to \$13.00 on a fully diluted basis.²⁰ Our range of assessed values reflects 100% ownership of InvoCare and, therefore, incorporates a control premium.

¹⁸ Source: 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

¹⁹ Source: "Case in Point: 20 Years in the Making: A Decision on Marketability Discount". Kroll. 8 March 2016.

²⁰ Based on 144,060,733 InvoCare Shares on issue including 1,143,396 treasury shares which will be applied to satisfy performance rights (refer to Section 8.12.2 of this report).



As our valuation includes a control premium, our range of assessed values per share exceeds the price at which we expect InvoCare Shares would trade on the ASX in the absence of the Scheme.

The value of InvoCare's equity has been determined by estimating the fair value of InvoCare's operating business, together with consideration of non-operating assets and liabilities, net borrowings and non-controlling interests. The valuation is summarised as follows.

InvoCare Summary of Value (\$ millions)

	Section Reference	Valuation Range	
		Low	High
Value of InvoCare's operating business (100% control basis)¹	9.3 & 9.4	1,900.0	2,100.0
Non-operating assets / (liabilities) (net)	9.5	8.2	8.2
Enterprise value (100% control basis)		1,908.2	2,108.2
Adjusted net borrowings (including finance leases) ²	9.6	(235.2)	(235.2)
Value of equity to InvoCare Shareholders (100% control basis)		1,673.0	1,873.0
Number of InvoCare Shares outstanding – diluted (millions) ³	8.12	144.1	144.1
Value per InvoCare Share – diluted (control basis) (\$)		\$11.61	\$13.00

Source: Kroll analysis.

Notes:

- DCF analysis includes cash outlays associated with right of use leases.
- Right of use lease liabilities (refer to Section 8.10 of this report) are excluded from adjusted net borrowings as cash outlays associated with right of use leases are included in the DCF analysis.
- Based on 144,060,733 InvoCare Shares on issue including 1,143,396 treasury shares which will be applied to satisfy performance rights (refer to Section 8.12.2 of this report).

In assessing the value of InvoCare's operating business, Kroll has adopted a Discounted Cash Flow (**DCF**) analysis as the primary methodology (refer to Section 9.3 of this report). The value derived from the DCF analysis has been cross-checked using a market approach (refer to Section 9.4 of this report).

Our valuation range of \$11.61 to \$13.00 per InvoCare Share reflects a premium over the closing price of InvoCare Shares on 6 March 2023, the last trading day prior to the announcement of the Initial Proposal, of between 29.7% and 45.3%, and a premium to the one-month VWAP in the range of 18.2% to 32.4%. This level of premium is consistent with the premiums observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances²¹ and reflects:

- that our valuation of InvoCare includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. We note that synergies available to a pool of potential acquirers of InvoCare are expected to be limited as we consider that an acquirer is likely to be a financial buyer (refer to Section 9.2.3 of this report);
- that our value range attributes significant value to the initiatives under Phase 2 of the Strategic Plan; and
- the decline in the InvoCare share price following the release of the FY22 results on 27 February 2023, which results in a higher premium over the last closing price compared to trading over a longer time period.

In forming our view as to the value of InvoCare Shares, we have considered a range of factors including:

- growth opportunities identified under Phase 2 of InvoCare's Strategic Plan (refer to Section 8.3.3 of this report);
- InvoCare's leading positions in the Australian, New Zealand and Singapore markets, vertically integrated business, its multi-brand strategy, diversified geographical footprint and ability to leverage a large, national platform;
- strategic value associated with InvoCare's memorial parks and Singapore parlour licence, and InvoCare's leverage to the high growth Pet Cremations market;
- InvoCare's significant maintenance, platform and growth capital expenditure;

²¹ Source: 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.



- the anticipated return to long-term growth trends in case numbers in FY23 and potential recovery in InvoCare's market share following a decline in FY22;
- favourable demographic trends in the markets in which InvoCare operates, with ageing populations and population growth; and
- synergies available to a pool of potential acquirers.

Special Dividend

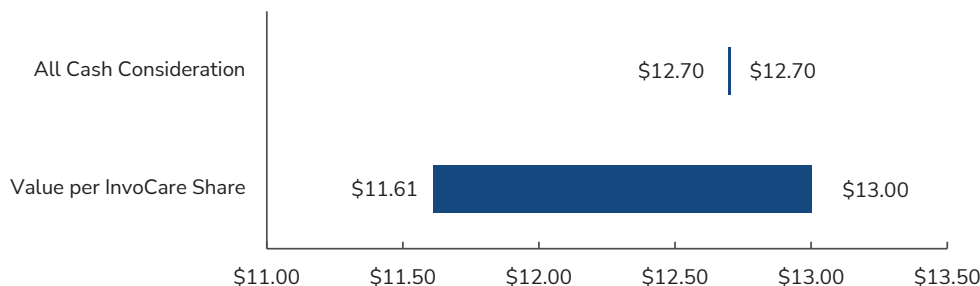
The total cash consideration of \$12.70 includes the Special Dividend, being a fully-franked dividend of up to \$0.60 for each InvoCare Share held as at the Special Dividend Record Date, which if declared and paid will result in franking credits of up to approximately \$0.257 per InvoCare Share (provided a favourable class ruling is obtained from the ATO).

In Kroll's opinion, it is not appropriate for the assessment of the Scheme to either factor into the value of InvoCare the value of accumulated franking credits or include in the value of the consideration the value of the credits attached to the Special Dividend since the value of those credits to each shareholder varies depending on their individual circumstances. Nevertheless, it needs to be recognised that, where part of a takeover offer comprises a franked dividend, some shareholders may realise additional value from the franking credits (i.e. they are better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and been received as a capital gain).

3.3.2 Assessment of fairness

A comparison of our assessed value per InvoCare Share, on a control basis, to the All Cash Consideration is illustrated as follows.

Fairness Assessment



Source: Kroll analysis.

As the All Cash Consideration falls within the range of values for an InvoCare Share, **the Scheme is fair.**

The All Cash Consideration is towards the high end of Kroll's value range. The valuation is highly sensitive to the risk weighting applied to the benefits of the Strategic Plan. Our valuation risk weights the benefits of the Strategic Plan initiatives that are under-development by 50%, on the basis that an acquirer would not pay full value for initiatives that are not yet approved and which it would have to implement itself. Practically, an acquirer would need to make this judgement for themselves and there is a range of possible outcomes. Scenario D in Section 9.3.3 of this report recognises that an acquirer may attribute more value to these initiatives and indicates that had 75% weighting been attributed to these initiatives, the value of an InvoCare Share would increase to a range of \$11.87 to \$13.66 and the All Cash Consideration would be at the mid-point of this range of values.

3.4 The Scheme is reasonable

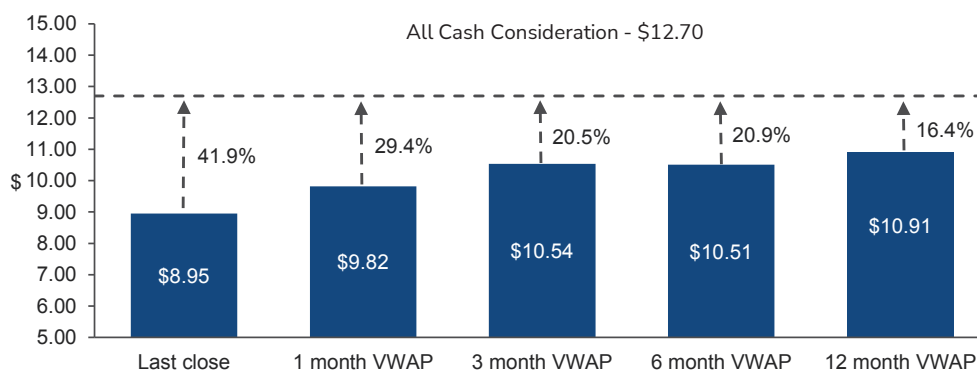
In accordance with RG 111, an offer is reasonable if it is fair. **As we have assessed the Scheme to be fair, it is also reasonable.** However, irrespective of the requirement to conclude the Scheme is reasonable, we have also considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme.



3.4.1 The All Cash Consideration represents a substantial premium to the undisturbed trading prices of InvoCare Shares

The All Cash Consideration of \$12.70 represents a substantial premium to InvoCare's closing share price and VWAP calculated over a range of periods up until 6 March 2023, the last trading day prior to the announcement of the Initial Proposal.

Premium of All Cash Consideration over the InvoCare Share Price



Source: InvoCare management; Kroll analysis.

Note: The premiums illustrated above have been calculated based on InvoCare's closing share price and VWAP up until close on 6 March 2023, the last trading day prior to the announcement of the Initial Proposal.

The All Cash Consideration represents a substantial premium over recent InvoCare Share prices that is consistent with the range of premiums typically observed. Observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.²² However, in transactions where it was estimated the combined entity would be able to achieve significant synergies, the premium was frequently estimated to be in excess of this range.

The premium is higher relative to the last close than over longer periods of time. This reflects the decline in the InvoCare share price following the release of the FY22 results on 27 February 2023.

3.4.2 Certainty of value

The Transaction offers InvoCare Shareholders who do not elect to receive the Scrip Consideration Option an opportunity to exit their investment in InvoCare at a price that is certain and which, as noted above, incorporates a substantial premium to InvoCare's undisturbed trading prices. Whilst trading of InvoCare Shares is sufficient to give InvoCare Shareholders confidence that they would be able to exit their investment at a time of their choosing, there is no certainty as to the price at which InvoCare Shareholders would realise their investment at that time, particularly given the risks associated with the business including the risks of achieving the benefits under the Strategic Plan, competition, variations in case numbers, changes in laws and regulations (refer to Section 10.3 of the Scheme Booklet). In addition, InvoCare Shareholders would not receive the Special Dividend.

Furthermore, any future on-market sale by InvoCare Shareholders would likely incur brokerage costs, which would be avoided if the Scheme is implemented.

3.4.3 By exiting their investment, InvoCare Shareholders will not participate in any future growth in the value of InvoCare

By exiting their investment in InvoCare, InvoCare Shareholders will not participate in any future growth in the value of InvoCare. In this regard, Kroll's valuation of InvoCare, which overlaps with the All Cash Consideration, already attributes significant value to the initiatives under the Strategic Plan. The InvoCare Directors have formed the view that the combination of value and certainty offered by the All Cash Consideration is likely to deliver a superior outcome for InvoCare Shareholders compared to InvoCare continuing to operate as a standalone entity. On the other hand, InvoCare Shareholders who receive the All

²² Source: 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.



Cash Consideration will no longer be exposed to the risks associated with the business as described in Section 3.4.2 of this report.

3.4.4 InvoCare's share price will likely fall in the absence of the Scheme

The current share price of InvoCare reflects the terms of the Scheme and, therefore, includes a substantial control premium. As such, in the absence of the Scheme, a superior proposal or speculation concerning a superior proposal, the InvoCare Share price is likely to fall to levels consistent with InvoCare's undisturbed trading prices (up until 6 March 2023), with an allowance for:

- subsequent announcements in relation to company specific initiatives or financial performance (including the 1H23 financial results) which the market may assess as value enhancing or diminishing;
- any industry developments (e.g. concerning competition or regulation) or exchange rates; and
- trends in broader equity markets. In this regard, from 6 March 2023 (the last trading day prior to the announcement of the Initial Proposal) until 18 September 2023, the S&P/ASX 200 Index (**ASX 200 Index**) has declined by 1.3% and the S&P/ASX Small Ordinaries Index has declined by 3.8%.

3.4.5 Likelihood of a superior proposal

No superior proposal has emerged since the announcement of the Initial Proposal on 7 March 2023. Whilst there will continue to be an opportunity for a superior proposal, we consider the likelihood of a superior proposal to be impacted by the following:

- it is open for InvoCare Shareholders to vote against the Scheme in the hope that the InvoCare Board will be able to extract a higher offer from TPG. However, the Transaction is a consequence of protracted period of due diligence and negotiations between the InvoCare Board and TPG, and in an environment with greater market uncertainty, higher interest rates impacting funding costs and a relatively benign 2023 flu season, whereby TPG reduced the offer price from \$13.00 to \$12.70. The InvoCare Board is also supporting the Transaction in its current form (in the absence of a superior proposal). It is therefore unlikely that InvoCare would be able to obtain a higher offer from TPG;
- TPG has a relevant interest in InvoCare Shares of approximately 19.175%. This reduces the likelihood of a superior proposal being made;
- the All Cash Consideration represents a substantial premium to InvoCare's undisturbed trading prices. This is likely to limit the range of potential acquirers, given the need for a competing bid to exceed this offer price; and
- the Scheme Implementation Deed contains customary exclusivity provisions on InvoCare that apply during the Exclusivity Period. In certain circumstances, InvoCare may be required to pay a break fee of \$18.3 million. Although these provisions may be influential, we do not consider that they would prevent a superior proposal being made.

3.4.6 Other considerations

In forming our opinion, we have also considered a number of other factors. Whilst we do not necessarily consider these factors to impact our assessment of the reasonableness of the Scheme, we have addressed them as follows.

One-off transaction costs

If the Scheme is implemented, transaction costs will be borne by BidCo. If the Scheme is not implemented, InvoCare expects to incur approximately \$9.0 million (excluding GST) in transaction costs that will have been paid or committed prior to the Scheme Meeting.

The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which, if not satisfied or waived (as applicable), will result in the Scheme not being implemented including Australian Foreign Investment Review Board (**FIRB**) and New Zealand Overseas Investment Office (**OIO**) approvals. If any conditions precedent prevent the Scheme from being implemented, InvoCare Shareholders will continue to hold their existing InvoCare Shares. As at the date of the Scheme Booklet, the InvoCare Board is not aware of any reason why any condition precedent will not be satisfied or waived (if capable of waiver).



Taxation implications for InvoCare Shareholders

General tax implications for certain InvoCare Shareholders in relation to the Scheme who are individuals, companies, trusts and complying superannuation entities that hold their InvoCare Shares on capital account for Australian income tax purposes are outlined in Section 11 of the Scheme Booklet. The summary does not apply to all InvoCare Shareholders.

InvoCare has sought a Class Ruling from the Australian Taxation Office (ATO) in order to confirm the tax implications of certain matters, including:

- the CGT implications for Australian resident InvoCare Shareholders on participating in the Scheme, including the availability for rollover relief for those InvoCare Shareholders who elect for Scrip Consideration Option;
- whether InvoCare Shareholders who are “qualified persons” are required to include the franking credits attached to the Special Dividend in their assessable income and can claim a tax offset; and
- whether the ATO will seek to apply certain integrity measures to the Scheme Consideration.

An ATO ruling has not been received at the date of this report. It is expected that the class ruling will be generally consistent with the comments in Section 11 of the Scheme Booklet. The final ruling, once received, will be available on the ATO website.

Section 11.3 of the Scheme Booklet considers the taxation implications of the disposal of InvoCare Shares for Australian resident InvoCare Shareholders. In particular, the disposal of InvoCare Shares will be a capital gains tax event for Australian resident InvoCare Shareholders. This means that Australian resident InvoCare Shareholders will need to determine whether a capital gain or a capital loss arises in respect of their disposal of InvoCare Shares. Section 11.3 also considers the taxation implications associated with rollover relief for those InvoCare Shareholders who elect to receive some or all of the Scheme Consideration as Scrip Consideration Option.

Section 11.4 of the Scheme Booklet considers the tax implications for non-Australian tax resident InvoCare Shareholders.

We note that InvoCare Shareholders should consider their individual taxation circumstances and review Section 11 of the Scheme Booklet for further information where it applies to their circumstances. InvoCare Shareholders should obtain their own independent professional advice on the tax consequences of disposing of their InvoCare Shares under the Scheme.

3.4.7 Consequences if the Scheme does not proceed

In the event that the Scheme Resolution is not approved or any conditions precedent prevent the Scheme from being implemented:

- InvoCare will continue to operate in its current form, remain listed on the ASX and execute upon its Strategic Plan. TPG will hold a 19.175% interest in InvoCare and may seek to influence its strategy;
- InvoCare Shareholders will continue to be exposed to the risks and opportunities associated with an investment in InvoCare;
- the InvoCare Share price is likely to fall. The current price of InvoCare Shares reflects the terms of the Transaction (including the benefit of the All Cash Consideration offered by TPG) and includes a substantial control premium. As such, in the absence of the Transaction, a superior proposal or speculation concerning a superior proposal, the InvoCare Share price is likely to fall (refer to Section 3.4.4 of this report);
- InvoCare Shareholders will not receive any Special Dividend;
- a break fee of \$18.3 million (excluding GST) may be payable by InvoCare to TPG in certain circumstances; and
- InvoCare will incur an estimated \$9.0 million (excluding GST) of one-off transaction costs in relation to the Scheme.

3.5 The Scrip Consideration Option is likely to be unattractive to most shareholders

The decision to elect the Scrip Consideration Option, for eligible InvoCare Shareholders, and receive Class B Shares in respect of some or all of their Scheme Shares is independent of a decision to approve the Scheme Resolution. In making this decision InvoCare Shareholders need to carefully consider the terms and risks attaching to Class B Shares.

Those InvoCare Shareholders who elect the Scrip Consideration Option (and subject to the Minimum Scrip Threshold being met) will retain an economic interest in InvoCare's business operations and assets (although the extent of this interest will be diluted to the extent that those shareholders receive cash, including as a result of any scaleback or future compulsory acquisition of a small parcel). By retaining an economic interest, Class B Shareholders may be able to:

- defer the capital gains consequences of the Scheme if capital gains tax rollover relief is available (see Section 11.3 of the Scheme Booklet);
- participate in certain future exits²³ by a TPG Shareholder of its investment in InvoCare as a result of the drag along and tag along rights; and
- participate in any growth in the business. We note that InvoCare is part way through the Strategic Plan.

It is not possible to reliably estimate the value of a Class B Share since:

- it is not possible to determine the full underlying value of HoldCo as its strategy, cost structure and financial leverage are unknown;
- any definitive assessment of the quantum of a minority and marketability discount that would be applied to the Class B Shares is difficult given the particular rights attaching to the B Class Shares (refer Section 9.4 c) of the Scheme Booklet) and since:
 - the timing of an exit event is unknown;
 - the form of an exit event is unknown and could take the form of an initial public offering, share sale or trade sale. An initial public offering would attract a minority discount a control transaction may attract a control premium; and
 - in accordance with the HoldCo Shareholders' Deed, the TPG Shareholders will make such adjustments to the drag or tag price as the TPG Shareholders determine is reasonably appropriate for different classes of HoldCo shares in the context of the proposed sale. It is probable that any such adjustment would result in a lower price received for Class B Shares than for the Class A Shares, however, the Shareholder's Deed provides no clarification as the nature, size and circumstances of any possible adjustment.

Although the exact quantum of a discount that would apply to Class B Shares relative to the value of InvoCare Shares cannot be reliably determined, Kroll considers that a substantial discount is warranted as a result of the following:

- there will be no public market for trading in Class B Shares as HoldCo will be an unlisted public company, nor is there expected to be any such market in the future. In addition, we note that no disposal of Class B Shares is permitted (other than by a TPG Shareholder) except with prior written consent of a TPG Shareholder, to a permitted transferee, in accordance with the terms of any agreement between HoldCo and a non-TPG Shareholder entered into before the date of the HoldCo Shareholders' Deed, pursuant to a drag along process or tag along process, pursuant to an exit, pursuant to compulsory transfer/selective buyback under the Small Holdings mechanism, or to the Nominee (as defined in the HoldCo Shareholders' Deed);
- after implementation of the Scheme, TPG will control InvoCare as the TPG Shareholders will together hold at least an 80% interest in HoldCo and as a result of the rights attaching to the Class A Shares held by the TPG Shareholders (including rights to appoint all directors to the HoldCo Board) and will, therefore, be in a position to determine the outcome of most decisions relating to HoldCo, including the timing and terms of any exit;
- a decision to pay dividends will be at the sole discretion of the HoldCo Board. Class B Shareholders will be entitled to receive their relevant proportion of any dividend on the Class B Shares declared by the HoldCo Board. TPG has advised that Bidder Group will be entering into documents with financial institutions that contain covenants restricting the Bidder Group from declaring or paying a dividend except in limited circumstances. To the extent that a dividend is declared, the level of franking is uncertain;

²³ Class B Shareholders will have tag along rights if a TPG Shareholder intends to sell all of its shares and the TPG Shareholders will have drag along rights with respect to Class B Shares if a TPG Shareholder intends to sell all or a portion of its shares.

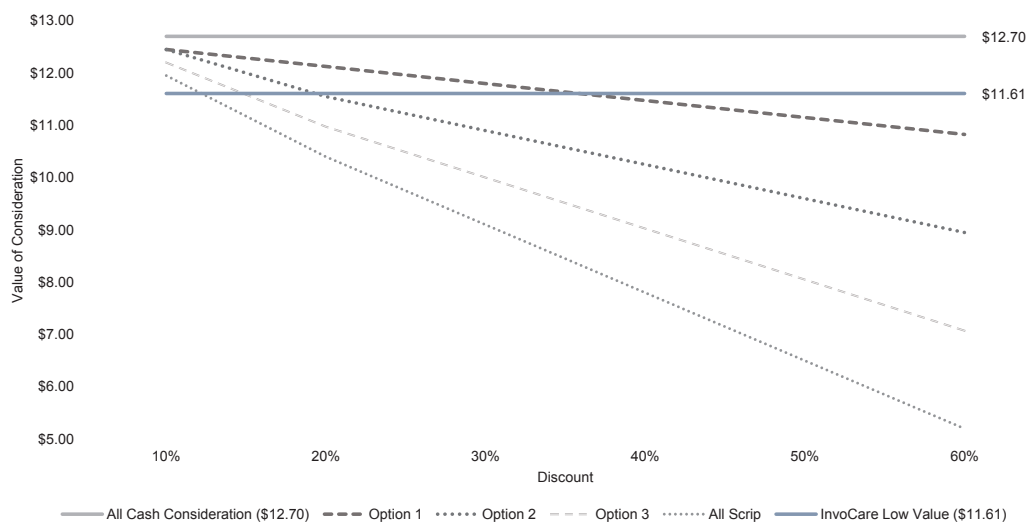


- shareholders will have an investment in a company that is more highly leveraged than InvoCare is currently and will be exposed to greater risk;
- shareholders will no longer have the protections offered under the ASX Listing Rules and Australian corporate law for listed public companies in relation to takeovers, acquisition of substantial shareholdings, provisions relating to continuous disclosure, approval for changes in capital and share issues, restrictions on transactions with persons of influence and takeover provisions (refer to Section 9.4 d) of the Scheme Booklet);
- shareholders will also be subject to the provisions of the HoldCo Shareholders' Deed and the HoldCo Constitution, copies of which are set out in Appendices E and F and summarised in Section 9.4 c) of the Scheme Booklet. They will have fewer rights as a shareholder in HoldCo compared to their current investment in InvoCare; and
- as a public company (but not a disclosing entity), financial reporting requirements are more limited and there is no requirement to provide a corporate governance report or hold an annual general meeting (refer to Section 10.4 of the Scheme Booklet).

As discussed in Section 3.4.1 of this report, observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.²⁴ These premiums are equivalent to a minority discount of 20% to 29%. Marketability discounts are typically in the order of 25%²⁵ to 40%. These discounts are impacted by the specific facts and circumstances of each transaction including the size of the relevant shareholding. They are also not necessarily additive. Having regard to the terms and risks associated with the Class B Shares, we consider that the realisable value of Class B Shares, including, potentially, in the event of a subsequent sale of the business or initial public offering (the timing of which is unknown), would be expected to incorporate a substantial minority and marketability discount.

The following sensitivity analysis shows the value of each of the Scrip Consideration Options for a range of discounts.

Sensitivity Analysis – Value of Scrip Consideration Options for a range of Discounts¹



Note 1: Discount refers to the discount between the high end of Kroll's value range for an InvoCare Share of \$13.00 and the high value of a Class B Share, including any differences in the full underlying value between InvoCare and HoldCo, as well as a minority and marketability discount.

The sensitivity analysis indicates that:

- the greater the discount applied to the Class B Shares, the lower the value of each Scrip Consideration Options;

²⁴ Source: 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

²⁵ Source: "Case in Point: 20 Years in the Making: A Decision on Marketability Discount". Kroll. 8 March 2016.



- for any discount, the value of each of the Scrip Consideration Options is less than the All Cash Consideration of \$12.70;
- for a given discount, the greater the proportion of scrip, the lower the value of the consideration; and
- there is a breakeven point at which each of the Scrip Consideration Options could be considered to be fair. This occurs where the high value of the Scrip Consideration Option (presented in the chart) exceeds low end of Kroll's assessed value per InvoCare Share of \$11.61.

The following analysis indicates the break-even discount below which each of the Scrip Consideration Options could be considered fair.

Break-Even Discount on Class B Shares

	Mixed Consideration			All Scrip Consideration Option
	Option 1	Option 2	Option 3	
Cash	75%	50%	25%	0%
Scrip	25%	50%	75%	100%
Break even discount¹	35.8%	19.1%	13.5%	10.7%

Source: Kroll analysis

Note 1: Break even discount = $(\$11.61 - \text{Cash \%} \times \$12.70) / (\text{Scrip \%} \times \$13.00) - 1$.

The sensitivity analysis indicates that:

- Option 1 (75% cash and 25% scrip) would be considered fair if the discount applied to the Class B Shares was less than 35.8%;
- Option 2 (50% cash and 50% scrip) would be considered fair if the discount applied to the Class B Shares was less than 19.1%;
- Option 3 (25% cash and 75% scrip) would be considered fair if the discount applied to the Class B Shares was less than 13.5%; and
- the All Scrip Consideration would be considered fair if the discount applied to the Class B Shares was less than 10.7%.

Under the Custom Consideration Option, if a discount of say, 50% was applied to Class B Shares, InvoCare Shareholders would need to elect at least 82% cash and 18% scrip for the consideration to be considered fair.

The above analysis is illustrative only as Kroll considers for the reasons set out previously that the realisable value of Class B Shares, including, potentially, in the event of a subsequent sale of the business or initial public offering (the timing of which is unknown), is not possible to estimate reliably.

In addition, under the HoldCo Shareholders' Deed, TPG will, after the first anniversary of the implementation date, be able to compulsorily acquire the Class B Shares held by a shareholder where those shares have an aggregate value of less than \$10,000. The price payable per Class B Share will be the fair value determined by the HoldCo Board in good faith at the time of the compulsory disposal. There is no specific definition of fair value and consequently, it is not clear as to how this standard of value would be interpreted by the HoldCo Board (e.g. whether it would include minority or marketability discounts).

As a result, electing to receive the Scrip Consideration Options is likely to be unattractive to the majority of InvoCare Shareholders. There may be some institutional InvoCare Shareholders that find the Scrip Consideration Options attractive and consider that they are able to effectively deal with a majority shareholder. However, they need to carefully consider the terms and risks attaching to Class B Shares, including the ability of the TPG Shareholders under the terms of the HoldCo Shareholders' Deed, to make such adjustments that the TPG Shareholders determine is reasonably appropriate for different classes of shares in the context of the proposed sale, before making a decision to elect to receive the Scrip Consideration Options.

4 Other matters

Our report has also been prepared in accordance with the relevant provisions of Corporations Act and other applicable Australian regulatory requirements and has been prepared solely for the purpose of assisting InvoCare Shareholders in considering the Scheme. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.



This report constitutes general financial product advice and has been prepared without taking into consideration the individual circumstances of InvoCare Shareholders. This advice, therefore, does not consider the financial situation, objectives or needs of individual InvoCare Shareholders.

The decision of InvoCare Shareholders as to whether or not to approve the Scheme is a matter for individual shareholders who should, therefore, consider the appropriateness of our opinion to their specific circumstances. As an individual's decision to vote for or against the proposed resolutions may be influenced by their particular circumstances, we recommend that individual InvoCare Shareholders, including residents of foreign jurisdictions, seek their own independent professional advice.

Our opinion is based solely on information available as at the date of this report. This information, and our limitations and reliance on information section, are set out in Appendix 2. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

References to financial years have been abbreviated to 'FY' and references to half years have been abbreviated to 'HY'. For InvoCare, the financial year is the 12 months to 31 December and half years are the six months to 30 June. All currencies are Australian dollars unless otherwise specified.

Kroll has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the end of this report.

The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Celeste Oakley
Managing Director



Independent Expert's Report
and
Financial Services Guide
in relation to the proposed acquisition of InvoCare Limited by
Eternal Aus BidCo Pty Ltd, an entity ultimately owned by funds managed
or advised by TPG Capital Asia





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5 The Scheme

5.1 Overview

On 7 March 2023, TPG submitted the Initial Proposal, an unsolicited, conditional, non-binding offer to acquire InvoCare for \$12.65 per InvoCare Share, following TPG acquiring an approximate 17.8% relevant interest in InvoCare via a combination of physical ownership and derivatives, subsequently increasing to an approximate 19.175% relevant interest in InvoCare on the following day.²⁶

On 27 March 2023, after careful consideration the InvoCare Board unanimously concluded that the indicative proposal did not provide compelling value for InvoCare Shareholders, resulting in TPG withdrawing the Initial Proposal on 24 April 2023.

On 15 May 2023, InvoCare announced that it had received a revised, conditional, non-binding and indicative proposal from TPG to acquire 100% of InvoCare Shares for \$13.00 per InvoCare Share by way of a scheme of arrangement (the **Revised Proposal**).

Subsequently on 9 August 2023, following a period of due diligence, InvoCare announced that it had entered into a Scheme Implementation Deed with BidCo, an entity ultimately owned by funds managed or advised by TPG, under which BidCo would acquire 100% of InvoCare Shares which are not already held by it or its related entities, by way of the Scheme.

Under the Scheme, Scheme Shareholders (other than those who make a valid election to receive a Scrip Consideration Option, subject to the Minimum Scrip Threshold being satisfied, and BidCo's intentions²⁷ in this regard) will receive the All Cash Consideration of \$12.70 for each InvoCare Share held at the Scheme Record Date, less the cash amount of any special dividend that may be declared or paid by InvoCare prior to implementation of the Scheme.

The InvoCare Board currently intends to pay the Special Dividend, being a fully franked special dividend of up to \$0.60 per InvoCare Share held by an InvoCare Shareholder as at the Special Dividend Record Date²⁸ that may be declared and paid by InvoCare before the Scheme is implemented. The Special Dividend is expected to result in franking credits of up to approximately \$0.257 per InvoCare Share.

As an alternative to receiving the All Cash Consideration, eligible InvoCare Shareholders (those who have an Australian registered address at 7:00 pm on the Scheme Record Date) have the option to elect to receive a Scrip Consideration Option, under which they will receive, for all or a portion of their InvoCare Shares, Class B Shares in HoldCo, an unlisted newly incorporated entity which is a holding company of BidCo, that would enable InvoCare Shareholders to retain an interest in the InvoCare business after the proposed Scheme has been implemented. Subject to certain qualifications, including the Minimum Scrip Threshold being satisfied, and BidCo's intentions,²⁹ eligible InvoCare Shareholders can elect to receive one of the following Scrip Consideration Options:

- **Mixed Consideration Option 1:** Cash Consideration in respect of 75% of their InvoCare Shares, plus Class B Shares in respect of the remaining 25%;
- **Mixed Consideration Option 2:** Cash Consideration in respect of 50% of their InvoCare Shares, plus Class B Shares in respect of the remaining 50%;
- **Mixed Consideration Option 3:** Cash Consideration in respect of 25% of their InvoCare Shares, plus Class B Shares in respect of the remaining 75%;
- **All Scrip Consideration Option:** Class B Shares in respect of 100% of their InvoCare Shares; or
- **Custom Consideration Option:** a custom percentage of Cash Consideration and Class B Shares, as agreed with BidCo, in its absolute discretion, in writing.

In each of the Scrip Consideration Options, the Scrip Consideration will be such number of Class B Shares as is equivalent to \$12.70 minus the amount of any Special Dividend that may be declared and paid per InvoCare Share held on the Special Dividend Record Date, subject to the Minimum Scrip Threshold and

²⁶ See section 8.12.1 of this report for details.

²⁷ Refer to footnote 3.

²⁸ The record date for the Special Dividend (if any), as determined by the InvoCare Directors in their sole discretion, being 8 November 2023.

²⁹ Refer to footnote 3.



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BidoCo's intentions,³⁰ the Maximum Scrip Threshold and a pro rata scaleback mechanism. Each Class B Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per Class B Share.

In aggregate, elections for a minimum of 5% (or such lesser percentage as notified by BidCo to InvoCare at least three Business Days prior to the date of the Scheme Meeting) of the total issued capital of HoldCo as at the Implementation Date are required for the Minimum Scrip Threshold to be satisfied. If the Minimum Scrip Threshold is not satisfied,³¹ all InvoCare Shareholders will receive All Cash Consideration. A scaleback mechanism will apply if elections made by eligible InvoCare Shareholders would result in InvoCare Shareholdings holding, in aggregate, more than the Maximum Scrip Threshold of 20% of the total issued capital of HoldCo on the implementation of the Scheme.

Immediately following implementation of the Scheme, HoldCo will have two classes of shares on issue, being Class A Shares which will be held by TPG Shareholders, and Class B Shares, which will form part of the Scrip Consideration Options unless otherwise agreed by the TPG Shareholders.

The rights and obligations of the Class B Shares are set out in the HoldCo Shareholders' Deed and Constitution in respect of HoldCo which are contained in Appendices E and F and summarised in Section 9.4 d) of the Scheme Booklet. The key terms include the following:

- Class A and B will be entitled to one vote per share, and equal rights to dividends and in an insolvency event;
- a decision to pay dividends will be at the sole discretion of the HoldCo Board. Class B Shareholders will be entitled to receive their relevant proportion of any dividend on the Class B Shares declared by the HoldCo Board. TPG has advised that Bidder Group will be entering into documents with financial institutions that contain covenants restricting the Bidder Group from declaring or paying a dividend except in limited circumstances;
- TPG Shareholders will have rights to appoint, remove or replace all HoldCo directors;
- Class B Shareholder cannot dispose of, or deal with, their Class B Shares except with prior written consent of the TPG Shareholders, to a permitted transferee, in accordance with the terms of any agreement between HoldCo and a non-TPG Shareholder entered into before the date of the HoldCo Shareholders' Deed, pursuant to a drag along process or tag along process, pursuant to an exit, pursuant to compulsory transfer/selective buyback under the Small Holdings mechanism, or to the Nominee (as defined in the HoldCo Shareholders' Deed);
- InvoCare Shareholders will be the beneficial holder but not the legal holder of the Class B Shares in accordance with the terms of a custody agreement (being the Nominee Deed) as specified by HoldCo;
- Class B Shareholders will have tag along rights if a TPG Shareholder intends to sell all of its shares and the TPG Shareholders will have drag along rights with respect to Class B Shares if a TPG Shareholder intends to sell all or a portion of its shares. In such circumstances, the TPG Shareholders will make such adjustments to the drag and tag prices that the TPG Shareholder determines is reasonably appropriate for different classes of shares in the context of the proposed sale; and
- at any time after the first anniversary of the Implementation Date, the TPG Shareholders will have a right to acquire parcels of Class B Shares that are valued at less than \$10,000. The price payable per Class B Share will be the fair value determined by the HoldCo Board in good faith at the time of the compulsory disposal.

InvoCare Shareholders who elect to receive a Scrip Consideration Option³² will also receive any Special Dividend that may be declared and paid by InvoCare.

The All Cash Consideration will be the default form of consideration. That is, an InvoCare Shareholder who does not make a valid election will receive the All Cash Consideration. Ineligible Foreign Shareholders and persons who become InvoCare Shareholders after the Election Date will also receive the All Cash Consideration.

The Scheme is subject to a number of conditions which are summarised in Section 5.2 of this report.

³⁰ Refer to footnote 3.

³¹ Refer to footnote 3.

³² And are InvoCare Shareholders on the Special Dividend Record Date.



The InvoCare Directors unanimously recommend, based on the quantum of the Cash Consideration, that InvoCare Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders. Subject to those same qualifications, each InvoCare Director intends to vote, or procure the voting of, all of the InvoCare Shares in which they have a relevant interest in favour of the Scheme. The InvoCare Directors make no recommendation in relation to the Scrip Consideration Options.

5.2 Conditions precedent

Implementation of the Scheme is subject to customary conditions precedent as set out in Clause 3.1 of the Scheme Implementation Deed, including:

- approval of the Scheme Resolution by Scheme Shareholders at the Scheme Meeting by the requisite majorities;
- ASIC and ASX issue or provide all consents, waivers, relief or approvals as are necessary or desirable to implement the Scheme, and such consents, approvals, waivers, relief or approvals have not been withdrawn, cancelled, revoked or adversely amended;
- approval of the New South Wales Supreme Court;
- approval by the Australian FIRB and New Zealand OIO;
- the independent expert continuing to conclude that the Scheme is in the best interests of InvoCare Shareholders (other than the Excluded Shareholders);
- no material adverse change, prescribed occurrence or restraints; and
- InvoCare Incentives are dealt with in accordance with Clause 6.7 of the Scheme Implementation Deed and otherwise on terms acceptable to BidCo.

5.3 Exclusivity provisions

The Scheme Implementation Deed contains customary exclusivity provisions that apply during the Exclusivity Period,³³ including 'no shop', 'no talk' and 'no due diligence' ('no talk' and 'no due diligence' are subject to a fiduciary carve out), notification obligations and a matching right. In certain circumstances, a break fee of \$18.3 million will be payable by InvoCare to BidCo and a reverse break fee of \$18.3 million will be payable by BidCo to InvoCare.

5.4 Transaction costs

If the Scheme is implemented, transaction costs will be borne by BidCo. If the Scheme is not implemented, InvoCare expects that external transaction costs will be approximately \$9.0 million (excluding GST).

6 Scope of the report

6.1 Purpose

The Transaction is to be implemented by way of a scheme of arrangement under Section 411 of the Corporations Act and requires approval of InvoCare Shareholders. Section 412(1) of the Corporations Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement includes information that is material to the making of a decision by a creditor or member as to whether or not to approve the scheme.

Even where an independent expert's report is not strictly required by the law, it is not uncommon for directors to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member. It is a condition of the Scheme that an independent expert concludes (and continues to conclude) that the Scheme is in the best interests of InvoCare Shareholders (other than the TPG Shareholders).

³³ The Exclusivity Period is the period from and including 9 August 2023 until the earlier of the date of termination of the Scheme Implementation Deed, the End Date (31 December 2023 or such other date as agreed in writing between InvoCare and TPG BidCo) and the Implementation Date (24 November 2023).



6.2 Basis of assessment

We have referred to guidance provided by ASIC in its Regulatory Guides in particular, RG 111, which outlines the principles and matters which it expects a person preparing an independent expert's report to consider when providing an opinion on whether a scheme of arrangement is in the best interests of shareholders.

RG 111 distinguishes between the analysis required for control transactions and other transactions. RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is 'fair and reasonable' and, as such, incorporates issues as to value. In relation to control transactions, RG 111.10-12 states:

- 'fair and reasonable' is not regarded as a compound phrase;
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer;
- the comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash;
- the expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison; and
- an offer is 'reasonable' if it is 'fair'. An offer might be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.13 sets out the factors an expert might consider in assessing whether an offer is reasonable:

- the bidder's pre-existing voting power in securities in the target;
- other significant shareholding blocks in the target;
- the liquidity of the market in the target's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to bidder, such as particular technology, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is 'in the best interests' of members.

RG 111.21 states that if an expert would conclude that a proposal was 'not fair but reasonable' if it was in the form of a takeover bid, it is still open to the expert to also conclude that the scheme is 'in the best interests' of the members of the company.

RG 111.11 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the securities subject to the offer. This comparison can be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of bidder or its associates in the target entity. That is, RG 111.11 requires the value of the target to be assessed as if the bidder was acquiring 100% of the issued equity (i.e. on a controlling interest basis). In addition, any special value of the 'target' to a particular 'bidder' (e.g. synergies that are not available to other bidders) should not be taken into account under the comparison.

Accordingly, when assessing the full underlying value of InvoCare, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of InvoCare. As such, we have not included the value of special benefits that may be unique to TPG.

7 Industry

7.1 Overview

InvoCare is an Australian headquartered deathcare company that operates in Australia, New Zealand and Singapore.

Deathcare is an important foundation of social infrastructure. Industry participants operate funeral homes, cemeteries and crematoria, and provide funeral services, cremations, burials, memorialisations with associated coffin, casket and burial plot products. The industry encompasses many distinct segments, performing functions including the transportation of bodies, disposal of human remains, hospitality and event planning, cemetery management, horticulture, and pastoral care. The industry in Australia is estimated to generate \$2.8 billion in revenue in FY24.³⁴

Industry revenues are expected to grow primarily due to increasing death volumes, which is influenced by population growth, particularly in the population aged over 70 years.

Whilst the industry includes two major players, InvoCare and Propel Funeral Partners Limited (**Propel**), it is highly fragmented with most funeral directors being small, family-owned businesses.

Services can be divided into two broader segments: funeral homes, and cemeteries and crematoria.

Kroll's analysis of the deathcare industry is focussed on Australia given that Australian Funeral Services and Cemeteries & Crematoria represent 80.0% of InvoCare's operating revenue in FY22 with a limited discussion on the pet cremation industry, and the deathcare industry in New Zealand and Singapore.³⁵

7.2 Australian Deathcare Industry

7.2.1 Funeral homes

Funeral homes typically manage the collection, transfer and preparation of a deceased person including necessary documentation, and provide funeral arrangement, services and products (such as coffin, flowers and catering).

Funeral arrangements can typically be classified as 'pre-need', 'at-need' or 'post-need':

- 'pre-need' is an all-encompassing term for products that includes arrangements in advance of death or 'need' and includes but is not limited to funeral insurance, funeral bonds and prepaid funerals. These products and services enable individuals to arrange and pay for some or all of the cost of their funeral in advance, simplify the decision making and reduce the financial and emotional burden for families and friends. Where pre-paid funeral arrangements are made, the pre-paid monies are held (often in trust) and released to the funeral director at the time the service is performed.³⁶
- 'at-need' funerals are arranged for a deceased person at or near the time of death. In addition to caring for the deceased, the funeral director often provides services including organisation of, and liaison with the funeral venue, cemetery or crematorium, coordination of the service, arrangement of flowers and newspaper advertisement, and other related services; and
- 'post-need' funeral services include memorialisation options (which can reflect cultural and religious traditions and available locations that bring communities together and provide an inviting environment).

Factors that influence the selection of a funeral service provider include the funeral home's previous experience and recommendations, brand and reputation, location and price.

Key suppliers to this sector include coffin and casket manufacturers.

³⁴ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023.

³⁵ InvoCare Annual Report 2022, Reportable segments information, page 74.

³⁶ According to the Australian Funeral Directors Association, funerals firms must invest the funds in a Friendly Society in strict accordance with the Funerals Act (1996) and the funds must be invested independently of the funeral director.

KROLL

7.2.2 Cemeteries and crematoria

Cemeteries and crematoria provide burial, memorialisation and cremation services, and manage sales of burial plots, placement of ashes and memorialisations (such as headstones, crypts, urns and plaques).

The majority of cemeteries and crematoria in Australia are owned by state or territory governments, local councils or religious organisations. In some states such as Victoria and Western Australia, cemeteries and crematoria are effectively prevented from being privately owned, whereas in New South Wales (**NSW**), Queensland, Tasmania and South Australia, cemeteries and crematoria can be run by private operators. For example in Sydney, seven (all operated by InvoCare) of the 128 operational cemeteries are privately run and they conduct approximately 22% of Sydney burials and 73% of cremations³⁷.

InvoCare and Propel are also the major private operators of cemeteries in those States that allow private ownership owning respectively 15 cemeteries and nine cemeteries.

Cemeteries and crematoria on Crown land are subject to local state requirements and associated regulations, such as the Land Act 1999 (Qld) in Queensland, whereas those on private land may only be subject to compliance with local government and environmental requirements. Private operators in NSW are required to go through a planning process and apply to the local government authority and the NSW Department of Health to operate in the cemeteries and crematoria industry. Availability of suitable land and the required capital investment have acted as barriers to new entrants in metropolitan and major regional areas.

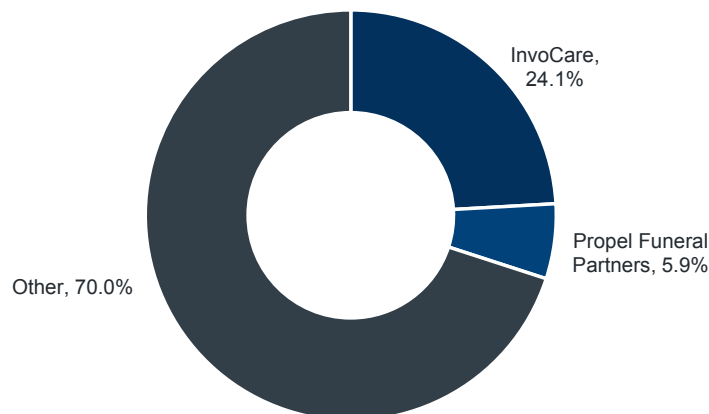
There has been a gradual shift away from burials towards cremations (including direct cremations which involve transporting the deceased to the funeral home, cremating the body and then returning the remains to the family), as an increasingly secular society has no pre-requisite towards burials, and cremations are often cheaper. IBISWorld estimates that approximately two thirds of the dispositions conducted in Australia each year were cremations.³⁸

7.2.3 Competitive landscape

The deathcare industry is highly fragmented with a large number of small, family-run businesses operating in a narrow geographical region. The two major vertically integrated commercial funeral operators, InvoCare and Propel, account for almost one-third of industry revenue.

The market share of the major players is illustrated in the following chart.

Australia Funeral Services Estimated Market Share in 2022



Source: IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023

Market share concentration has increased over the past 5 years as InvoCare has grown through organic growth and acquisitions at rates slightly above the industry. Propel has grown primarily through acquisition

³⁷ The 11th Hour: Solving Sydney's Cemetery Crisis, Cemeteries and Crematoria Act 2013 Statutory Review, August 2020.

³⁸ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023.

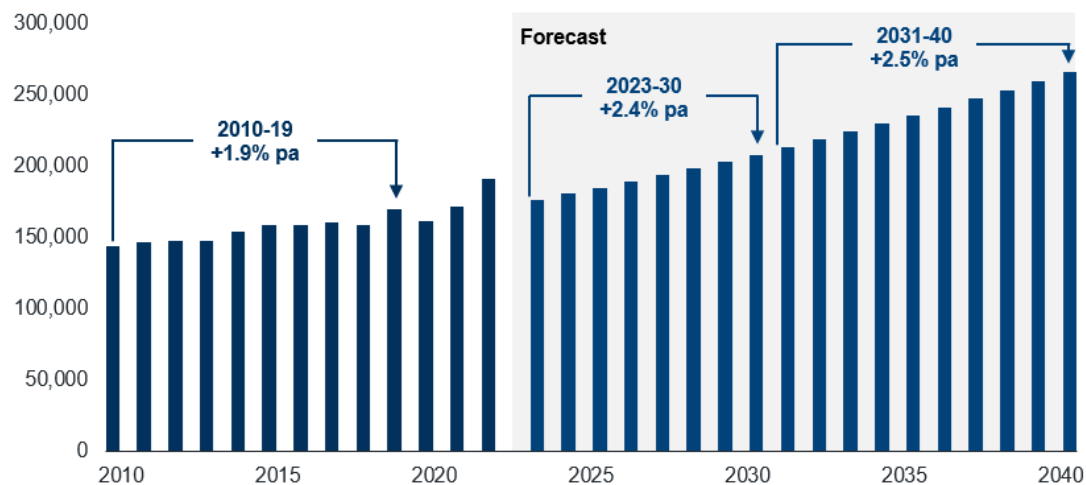
activity. IBISWorld notes that the industry is anticipated to become more concentrated over the next 5 years, as the larger operators continue to buy out smaller operators.³⁹

7.2.4 Key drivers

Number of deaths

The number of deaths is the most significant driver of deathcare industry revenue. The number of recorded deaths in Australia has increased from 143,473 in 2010 to 190,394 in 2022 at an average annual growth rate of 2.4%.⁴⁰

Australia Actual and Forecast Deaths



Source: Australian Bureau of Statistics (ABS) (actuals), Euromonitor (forecast).

The chart illustrates the impact of the COVID-19 pandemic with a decline in mortality rates during the pandemic and a subsequent spike post pandemic. The decline in mortality rates arose as lockdown restrictions and social distancing decreased instances of influenza and other diseases correlated with mortality rates. The mortality rate is expected to normalise in CY23 with a return to long term growth rates.

Typically growth in recorded deaths is primarily driven by:

- population growth, due to births and net overseas migration;
- ageing of the population; and
- mortality rates, offset by improvements in life expectancy.

IBISWorld expect the volume of deaths in Australia to rise over the next decade as an ageing ‘baby boomer’ population offsets gains in life expectancy.

Deathcare services and real household disposable income

Industry revenue is also influenced by the proportion of burial services and the number of cremations with burials as a service more expensive than cremation services. Approximately two-thirds of Australians that pass away are cremated.⁴¹ The addition of memorialisation products for cremated remains means that cremations are not always cheaper than burial services when considered in aggregate.

The cost of burial services can vary significantly depending on the included products and services, ceremony location, and whether the service is marketed as ‘premium’ or budget. Cremations have risen in popularity throughout Australia, partly due to religious practices, and as cremation can be significantly cheaper than

³⁹ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023.

⁴⁰ Australian Bureau of Statistics, Deaths Australia ‘Statistics about death and mortality rates for Australia, states and territories and sub-state regions’, 29 September 2021; Provisional Mortality Statistics ‘Provisional deaths data for measuring changes in patterns of mortality’, 31 March 2023; Kroll analysis.

⁴¹ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023.



burial. Burial fees are forecast to increase as space restrictions limit supply in many cemeteries. A simple, no service cremation may cost as little as \$1,000, whilst a full service burial may cost in excess of \$20,000.⁴²

Government restrictions on funeral sizes during the COVID-19 pandemic impacted the average spend per funeral. The subsequent easing of these government restrictions has resulted in a return to a higher average funeral spend.

Higher household disposable income can directly affect expenditure on funerals and can result in higher demand for traditional burial services.

Religious preferences

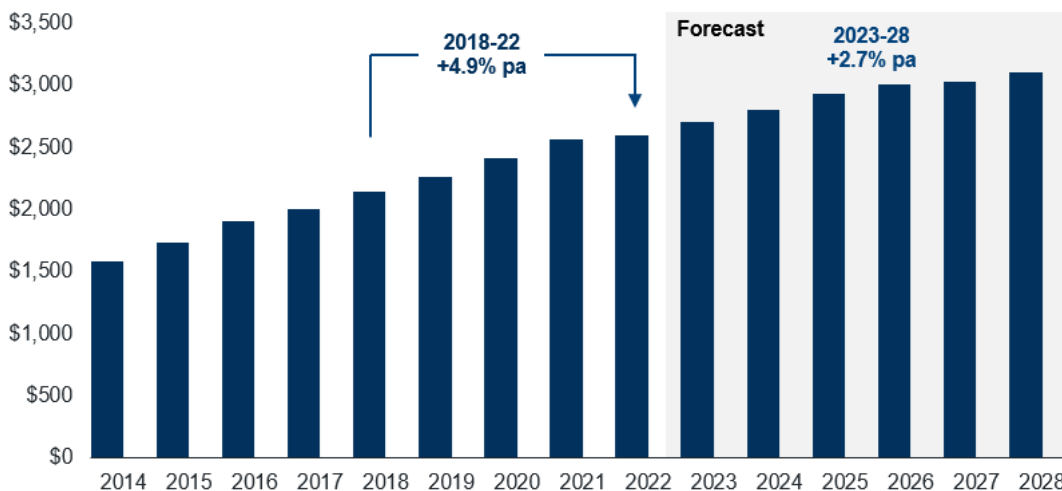
As the religious composition of Australia's population becomes more varied, funerals may need to comply with a growing range of religious preferences. As an example, cremation is not allowed in Islam. Further the demand for traditional burial services has also tended to fall as church attendance decreases. IBISWorld projects church attendance is likely to continue to decline in the short term.

7.2.5 Market Size and Growth

Industry revenue has increased at an annualised rate of approximately 4.9% per annum over the last 4 years,⁴³ impacted by the death rate and the changes in funeral spend impacted by a shift towards cremations as set out in Section 7.2.4 of this report.

Revenue is forecast to grow at an annualised 2.7% to 2028, to \$2.3 billion in total industry revenue.

Australia Industry Revenue



Source: IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023. Industry still considered to be in a growth phase.

7.2.6 Regulatory framework

There is no single regulatory authority or legislative framework at the federal or state level that oversees the entire sector. Governance structures vary between states and territories, enforced by each jurisdiction's consumer protection or fair trading organisation, and relies largely on self-regulation.

Funeral Directors largely self-select to sign up for organisations such as the Australian Funeral Directors Association and National Funeral Directors Association of Australia. Associations support boosting industry standards and mandatory training, and members agree to code of conduct and ethics, however they are not necessarily binding.⁴⁴

Businesses in the industry, like other service providers, are subject to legal obligations including competition and consumer laws, with the Australian Competition and Consumer Commission (ACCC) actively monitoring reports and taking action against anti-competitive conduct or contraventions of consumer law in

⁴² ACCC, 'Funeral services sector, Competition and consumer issues', December 2021.

⁴³ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, August 2023.

⁴⁴ Australian Funeral Directors Association and National Funeral Directors Association of Australia websites.

the sector. In December 2021, the ACCC released a report on the funeral services industry, and called for funeral businesses to review their contracts and pricing practices to ensure they comply with consumer and competition laws. They specifically commented on pricing transparency, unfair contract terms, misleading claims to consumers, failing to fulfil prepaid funeral contracts, non-disclosure of payments for third-party endorsements, and the impacts of bundling on competition, amongst other items.

Public health legislation also regulates the storage and preparation of deceased persons by the funeral industry.

7.2.7 Opportunities and Risks

Key opportunities for the deathcare industry include:

- growth in demand for pre-paid funerals is projected to increase over the next 5 years with changes to pension eligibility;⁴⁵
- there is increasing scope and demand for innovation and value-added services such as digital services. Funeral directors will likely continue the use of technologies introduced during the COVID-19 pandemic such as webcasts of funerals, and QR codes on headstones that can be scanned by smartphones to obtain more information about the deceased;
- increasing development of customer centric operating models that enhance the customer experience and drive customers to those industry participants who have invested in such processes; and
- greater use of environmentally friendly practices may increase the value of individual funerals for some consumers. Sustainable services include natural burials that use biodegradable materials that break down faster than traditional wooden coffins, or more expensive sustainable approaches such as resomation (where water and alkali are used to decompose the body).

Key threats include:

- operators will likely continue to face skills shortages as many workers approach retirement age. IBISWorld noted that approximately two-thirds of industry employees were expected to be aged 45 and over in 2022, which is a significantly higher percentage than the average for the economy;⁴⁶
- a lack of capital and digital experience in smaller players inhibiting their ability to innovate and adapt to changing customer preferences and digital needs;
- space restrictions continue to limit supply in many long-established cemeteries. All existing operational Crown cemeteries in Sydney, for example, are expected to close to new burials within 10 to 12 years.⁴⁷ The NSW Government's grave-recycling laws, with rolling 25-year leases for gravesites that can be renewed for up to 99 years, aligns with South Australia and Western Australia in having limited-tenure leases for gravesites. Cemetery fees are projected to rise over the next 5 years to meet the full long-term economic costs of operation, and high and increasing maintenance costs;⁴⁸ and
- the deathcare industry is expected to become increasingly competitive as consumers become more price sensitive and demand a greater range of services. Industry players may also face strong competition from financial institutions that provide funeral insurance and funeral bonds as an alternative to pre-paid funeral plans.

7.3 Pet cremation industry

The pet cremation industry in Australia is characterised by:

- the business is primarily operating through vets who typically act as the first point of contact when an owner's pet has died;
- Australia's large pet population - it is estimated that 68.7% of Australian households own at least one pet;⁴⁹ and

⁴⁵ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, October 2022.

⁴⁶ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, October 2022.

⁴⁷ T.Scott, D. Harley 'The 11th Hour, Solving Sydney's Cemetery Crisis, Cemeteries and Crematoria Act 2013 Statutory Review', August 2020.

⁴⁸ IBISWorld Funeral Directors, Crematoria and Cemeteries in Australia, Industry Report S9520, October 2022.

⁴⁹ Pets In Australia: A National Survey of Pets and People, Animal Medicines Australia 2022



- the industry is estimated to be growing strongly at 9% per annum driven by trends including the 'humanisation of pets'.

The pet cremation industry in Australia is highly fragmented with limited market research available. InvoCare estimated the total addressable market at approximately \$100m in 2020.⁵⁰

7.4 New Zealand

The deathcare industry in New Zealand has similar characteristics to Australia. In particular:

- the population is expected to grow at a CAGR of 0.7% between 2023 and 2040 resulting from natural occurrences and immigration;⁵¹
- the number of people over 65 is forecast to increase from 870,000 in 2023 to 1.3 million in 2043;⁵² and
- the number of deaths is expected to be 1.8% per annum from 2023 to 2030 and 2.1% per annum from 2031 to 2040.⁵³

The deathcare industry in New Zealand is highly fragmented with InvoCare considered to be the market leader. The regulatory framework is also similar to Australia and the Funeral Directors Association of New Zealand is the main industry Association which provides among other things codes of conduct.

7.5 Singapore

The deathcare industry in Singapore is characterised by:

- having one of the highest cremation rates in the world at over 82.0% in 2021;⁵⁴
- the requirement to have a parlour licence. Licenses are only released every few years;
- the population is expected to have a low growth rate;
- the number of people over 65 is forecast by 2035 to be around a third of Singaporeans;⁵⁵ and
- the number of deaths is expected to be 4.4% per annum from 2023 to 2030 and 4.2% per annum from 2030 to 2040.⁵⁶

The regulatory framework has similarities to Australia and the Association of Funeral Directors Singapore helps develop various guidelines and conditions. As an example, the National Environment Agency in consultation with the Association of Funeral Directors Singapore in 2020 developed and released guidelines and new conditions of licence to licensed funeral parlours with embalming facilities, to improve and uplift the standards of funeral services in Singapore.

8 Profile of InvoCare

8.1 Overview

InvoCare is a leading provider of funerals, burials, and cremations, in Australia, New Zealand, and Singapore, and operates private memorial parks (cemeteries) and crematoria in Australia and New Zealand. It also provides pet cremation services in Australia.

Across its international network it operates 278 funeral homes, 43 crematoria, 17 memorial parks and 16 pet crematoria, employing approximately 2,000 full time equivalent employees. In Australia, which is InvoCare's core market, it is the leading provider⁵⁷ of funeral services and operates under four national brands including White Lady Funerals (**White Lady**), Simplicity Funerals (**Simplicity**), Value Cremations, and Guardian Plan Funerals, as well as 47 geographically diversified regional brands. It is also the leading provider of cemetery and cremation services in Australia, the leading provider of funeral services in New Zealand, and the leading provider of funeral services to the ethnic Chinese market in Singapore.

⁵⁰ Internal InvoCare Strategic Pet Cremation Market Review. 2020.

⁵¹ Stats NZ, 'National population projections : 2022 (base) – 2073, 27 July 2022.

⁵² Stats NZ, 'National population projections : 2022 (base) – 2073, 27 July 2022.

⁵³ Euromonitor.

⁵⁴ The Cremation Society of Great Britain, International Statistics 2021 (cremation.org.uk).

⁵⁵ Statista, 'Aging population of Singapore – statistics & facts', 12 May 2022.

⁵⁶ Euromonitor.

⁵⁷ Market share statistics are supplied by InvoCare and based on CY22 funeral case volumes.



As at 6 March 2023, the last trading day prior to the announcement of the Initial Proposal, InvoCare had a market capitalisation of \$1,290.2 million.⁵⁸

8.2 Background

In 1993, one of the largest US funeral homes and funeral services companies, Service Corporation International (**SCI**), entered Australia and acquired Industrial Equity Limited's funeral operations and commenced trading as Service Corporation International Australia Pty Ltd (**SCIA**). It was highly acquisitive over the following decade, purchasing a large number of independent funeral services businesses, cemeteries, and crematoriums, as well as business who owned some of Australia's best known funeral service brands including White Lady and Simplicity.

InvoCare was created in 2001 when an 80.0% stake in SCIA was sold by SCI to a consortium of investors led by a subsidiary of Macquarie Group Limited. In 2003, the consortium listed InvoCare on the ASX, which at the time operated a network of 124 funeral homes, 12 crematoria and eight memorial parks across Australia, and conducted approximately 20% of all funerals in the nation during 2002.⁵⁹

The following years saw InvoCare continue to expand its operating footprint by making numerous acquisitions domestically, and also expanding internationally. In August 2006, it announced its acquisition of Singapore Casket Company (Private) Limited (**Singapore Casket**) which at the time was Singapore's largest funeral provider, marking its entrance to the Singapore market.⁶⁰ In November 2010, it announced its acquisition of Bledisloe Group Holdings Pty Ltd (**Bledisloe**) for an enterprise value of \$114 million, which at the time was New Zealand's largest provider of funeral services and one of the top three operators in several key Australian markets.⁶¹

InvoCare also briefly entered the US market in 2014, but subsequently exited the market in 2017 after determining the business was unlikely to reach breakeven by the mid-2018 target date.⁶²

In February 2017, InvoCare announced its strategic "Protect and Grow 2020" plan, which involved a capital investment initiative of \$200 million over four years to optimise the current asset base and develop new locations to bridge gaps in the network. A significant part of this strategic plan was the Network and Brand Optimisation project (expected capital expenditure of approximately \$160 million), which classified facilities as 'Refresh' sites (requiring modernisation or cosmetic improvements), 'Enhance' sites (requiring substantial or full renovation), as well as earmarking the potential acquisition of new sites as 'Growth' sites. There was also an emphasis on operational efficiency projects (expected capital expenditure of approximately \$40 million), including investment in business systems and processes, as well as the implementation of a network of Shared Service Centres (**SSCs**) with optimal, standardised designs, that are also geographically optimised against InvoCare's network of operating facilities.⁶³

In 2018, InvoCare acquired an existing pet cremation business in Sydney, which marked its entry into the industry. In the period since, InvoCare has made further acquisitions in the pet cremation space including Family Pet Care Pty Limited (**Family Pet Care**) and Pets in Peace in November 2020 for a combined price of \$49.8 million (including \$11.5 million of deferred consideration).

In order to pursue its strategic growth objectives InvoCare raised capital, including an \$85 million Institutional Placement and Share Purchase Plan (**SPP**) announced in March 2019, and a \$150 million Institutional Placement and \$50 million SPP announced in April 2020 in order to fund the acquisition of the pet cremation businesses, repay debt and fund the substantial capital expenditure associated with the final year of the Network and Brand Optimisation project.

The COVID-19 pandemic and associated government restrictions had a significant impact on InvoCare's ability to deliver full-service funeral arrangements and on the mortality rate in the countries in which it

⁵⁸ Calculated as closing price on 6 March 2023 of \$8.95 multiplied by 144,156,462 diluted InvoCare Shares on issue, inclusive of cash settled Share Rights and Performance Rights of participants outside of Australia and in the money Options.

⁵⁹ Source: *InvoCare Prospectus*. InvoCare ASX announcement dated 31 October 2003.

⁶⁰ Source: *InvoCare expands into Singapore*. InvoCare ASX announcement dated 18 August 2006.

⁶¹ Source: *InvoCare Announces Purchase of Bledisloe*. InvoCare ASX announcement dated 19 November 2010.

⁶² InvoCare acquired the Macera Crematory in Los Angeles in November 2014 and subsequently established a new, low-cost funeral service business in Southern California in February 2015. The funeral service business was closed in February 2017 and the Macera Crematory sold in September 2017. Source: InvoCare Limited announces scaling back of US operations. InvoCare ASX announcement dated 7 February 2017.

⁶³ For more details on the "Protect and Grow 2020" plan, refer to InvoCare's 2016 Full-year Results Investor Presentation.



operates, with FY20 operating revenue,⁶⁴ operating EBITDA,⁶⁵ and operating earnings per share⁶⁶ (**EPS**) down 4.7%, 29.0% and 60.5% respectively compared to FY19. In response to the COVID-19 pandemic, InvoCare implemented certain measures to mitigate the impact on the business, including deferral of the payment of the FY19 final dividend, deferral of non-essential capital expenditure and strategic investment (including acquisitional activities), and undertook actions to reduce or freeze operating expenditure, including hiring freezes and workforce optimisation strategies.

In November 2020, InvoCare announced the appointment of Olivier Chretien as Managing Director (**MD**) and Chief Executive Officer (**CEO**) from 1 January 2021, who introduced a new five-year strategic plan with the first phase named 'Raising the Bar' at InvoCare's Investor Day held in May 2021.

8.3 Strategy

8.3.1 Protect and Grow 2020

The Protect and Grow 2020 strategic plan was actioned from 2017 into early 2021 and largely delivered on its intended outcomes which were to optimise the asset base, invest in business systems and processes, and maintain strong customer and employee satisfaction. As part of the strategic plan, InvoCare noted the following achievements as at 31 December 2020:

- as part of the Network and Brand Optimisation project, InvoCare had renovated a cumulative 169 locations, including 127 'Refresh' sites, 16 'Enhance' sites, and a further 26 'Growth' sites for a total capital expenditure of \$126.2 million. A further 26 properties were renovated on acquisition. An additional 40 to 50 renovation projects were planned for CY21;
- as part of its operational efficiency projects, InvoCare had integrated a new Enterprise Resource Planning (**ERP**) system into its Australian and New Zealand operations, at a capital cost of \$35.2 million. It had also delivered four SSC projects at a capital cost of \$11.3 million, with a further 6 to 8 in the pipeline for CY21; and
- an improvement in the customer Net Promoter Score to 79 points, up 5 points from 2017, as well as a decrease in the Lost Time Injury Frequency Rate which had improved 2.2 points to 12.5 since 2017.

8.3.2 2021 Strategy Reset

In May 2021, under the leadership of the new MD and CEO Olivier Chretien, InvoCare announced a new five-year, three-phase strategic plan (the **Strategic Plan**), the first phase of which was termed Raising the Bar which initially focused on leveraging the business' core assets to meet the changing needs of the customer, before shifting focus towards future growth and innovation.⁶⁷ The Strategic Plan also identified opportunities whereby existing Information Technology (**IT**) and business process systems could be modernised and better integrated. Each phase of the plan was built around five pillars, with each pillar designed to achieve the objectives and outcomes described in the following table.

⁶⁴ Operating revenue is revenue for the Group excluding revenue earned from pre-paid funerals business.

⁶⁵ Operating EBITDA is operating earnings before interest, tax, depreciation and amortisation, business acquisition costs, SaaS arrangements expense and gain/loss on lease modification/termination. Non-operating items includes revenue and expenses related to pre-paid funerals business.

⁶⁶ Operating EPS is operating net profit after tax divided by the weighted average number of shares.

⁶⁷ Source: InvoCare Investor Strategy Day presentation 12 May 2021.

InvoCare’s Strategic Plan to 2025

Pillar	Objectives	Target Outcomes
Customer Led, People Empowered	Be customer centric in everything we do	<ul style="list-style-type: none"> Increased customer advocacy and community trust Be a safe, rewarding, and inclusive place to work
Operational Excellence	Optimise our foundations to drive sustainable returns	<ul style="list-style-type: none"> Operating model efficiency, standardised processes, and optimised networks Positive operating leverage Capital efficiency
Stronger Core Growth	Excel in serving customer needs and grow share of market value	<ul style="list-style-type: none"> Increased weight of value-add services Omni-channel customer experience Customer offering aligned with community needs Growing contribution from prepaid contracts
New Growth Platforms and Innovation	Innovate and diversify to expand addressable market and meet future customer needs	<ul style="list-style-type: none"> Higher growth rates Earnings diversification (adjacencies) Transactions at scale (B2B and Communities) Increased defensible characteristics Partner of choice
Sustainable Leadership	Lead company and industry to more sustainable outcomes	<ul style="list-style-type: none"> Increased community contribution and brand trust Improved industry standards of clinical care and safety Be a recognised industry leader

Source: InvoCare Investor Strategy Day presentation 12 May 2021.

InvoCare described some of the key measures of successful implementation of the Strategic Plan as being the following:

- **Being trusted by client families and communities** – maintain a Net Promoter Score greater than 80 points and high lead conversion rates;
- **Being a great place to work** – with high employee engagement, retention, and diversity;
- **Being a recognised industry leader and partner of choice with sustainability commitments;** and
- **Creating value for all stakeholders** – through-the-cycle low-to-mid teen operating EPS growth and group return on capital employed (**ROCE**) greater than 12%.

8.3.3 Phases and Progress of Strategic Plan

The strategic plan has been divided into the following three phases.

Phase 1 – “Raising the Bar”

Phase 1 of the Strategic Plan focused on simplifying and standardising the business’ foundations and resetting the business for sustainable growth. The program has been largely successful as measured against the following milestones and financial and non-financial key performance measures:

- an increase in Net Promoter Score from 79.0 in FY20 to 82.9 in FY22 demonstrating increased customer advocacy;
- the 2022 employee engagement survey showing an eight-percentage point increase in employee engagement score to 64% compared with 2021;
- streamlining and standardisation of processes, including the rollout of a Group-wide payroll system and new ERP systems for Australian Funerals and Cemeteries and Crematoria;
- improvement of certain financial and capital efficiency metrics from FY20 to FY22 (refer to Section 8.9 and 8.10 of this report); and
- enhanced operating EPS which grew at a compound average growth rate (**CAGR**) from FY20 to FY22 of 31.2%.

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Phase 2 – “Transform Accelerate Grow”

With Phase 1 of the Strategic Plan complete, InvoCare is now focused on executing Phase 2, which is a continuation of the Phase 1 initiative but also involves expanding the core business through profitable organic and acquisitive growth, thorough digital integration, and other productivity and efficiency initiatives. This Phase is expected to take approximately 18 months to complete. Areas of enhanced focus in Phase 2 of the Strategic Plan include:

- **Stronger core growth** – including growth of key brands (notably Simplicity), improvement of digital and phone channels for customers, mergers and acquisitions (M&A) of quality assets, implementation of a new strategy for pre-paid funerals, as well as the ‘Park as a destination’ initiative; and
- **New growth platforms** – including digital self-serve customer channels, rapid Pet Cremation expansion, the Innovation Hub, and wider M&A and partnership opportunities, including offshore expansion.

Phase 3 – “Lead”

Phase 3 is intended to commence on completion of Phase 2 of the Strategic Plan and is focused on continuing a sustainable, multi-pronged growth strategy from a diversified earnings base, acceleration of M&A, an emphasis on growth in the pre-paid segment, making sustainability investments, and enhancing industry leadership.

8.4 Operations

8.4.1 Overview

InvoCare’s footprint of operating locations in 2022 was as follows.

InvoCare’s Geographical Footprint in 2022



Source: InvoCare.

Notes:

1. Map not to scale
2. Specific number and location of InvoCare’s site footprint may have changed.

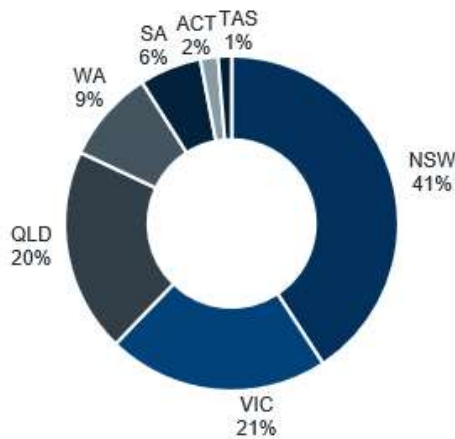
InvoCare provides segment information based on the geography of products sold or services provided, which includes Australia, New Zealand, and Singapore. The Australia segment is InvoCare’s largest market and can be further divided into the type of product sold or service provided; Funeral services, Crematoria & Crematoria, and Pet Cremations. As the New Zealand and Singapore segments mainly relate to the provision of Funeral services, these segments are not further subdivided.

InvoCare’s operating segments are described as follows.

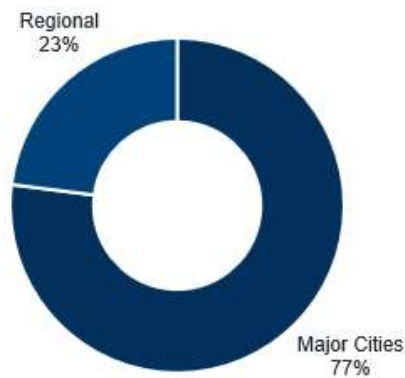
8.4.2 Australia Funeral Services

InvoCare is a market leader in the Australian Funeral Services industry, being the number one ranked funeral services provider by number of cases (approximately 21%).⁶⁸ It operates a multi-brand strategy in Australia, comprised of four national brands and 47 other regional brands, across a diversified national network of 233 funeral homes that operate in clusters in all Australian states and territories except for the Northern Territory.⁶⁹

InvoCare's Funeral Homes by State (%)



InvoCare's Funeral Cases by Location (%)



Source: InvoCare.

In order to maximise revenue opportunities, InvoCare assists client families through all episodes of the customer journey, which the company defines as pre-need, at-need, and post-need. Further details on the integrated offering by episode can be found in Section 8.7 of this report. Products and services provided include transfers (including collection and transfer of the deceased), provision of mortuary care (including washing, dressing, embalming, or reconstruction services), and items relating to the conduct of funeral services (including professional services fees, catering, flowers, etc.).

Australia Funeral Services Brands

In Australia, InvoCare operates three national brands and 47 other funeral brands in different states across the country. The three national brands are White Lady Funerals (**White Lady**),⁷⁰ Simplicity Funerals (**Simplicity**), and Value Cremations (**Value**). Each of these brands is positioned to address a different segment of the market, with White Lady positioned as a premium and traditional brand, Simplicity as a simple and contemporary brand, while Value Cremations provides a straightforward cremation service for those consumers not wanting a funeral service. The national brand network then allows regional in-filling of highly recognisable brands such as Guardian Funerals in New South Wales, Le Pine Funerals in Victoria, and Purslowe & Chipper Funerals in Western Australia. In-filling of smaller brands also allows InvoCare to target customers in certain areas who have cultural niches.

⁶⁸ Source: InvoCare 2022 Annual General Meeting presentation 26 Mar 2023. Market share is estimated for FY22 based off Australian Bureau of Statistics (ABS) mortality statistics.

⁶⁹ Statistics correct as at 27 May 2023.

⁷⁰ In Western Australia, White Lady Funerals is known as Mareena Purslowe Funerals and operates 7 funeral homes.

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InvoCare Funeral Services Brands by Market Segmentation



Source: InvoCare.

Note 1: InvoCare holds a 30% interest in Picaluna Funerals. Figure is an illustrative subset of InvoCare brand portfolio.

8.4.3 Australia Cemeteries and Crematoria

InvoCare operates the largest private network of Cemeteries (also referred to as Memorial Parks) and Crematoria in Australia, with a market share of approximately 14.7%.⁷¹ Details on the location of its Memorial Parks and Crematoria are as follows.⁷²

InvoCare Australian Memorial Parks and Crematoria by State

State	Memorial Parks	Crematoria
New South Wales	10	18
Queensland	5	13
Tasmania	-	2
Total	15	33

Source: InvoCare.

InvoCare's Memorial Parks typically have long dated remaining useful lives.⁷³

The Australia Cemeteries and Crematoria division generates revenue through Memorialisation services (digital and physical memorialisation products) and Burial and Cremation Services, with approximately half of all Burial and Cremation Services revenue originating from non-InvoCare Funeral Directors.

8.4.4 Australia Pet Cremations

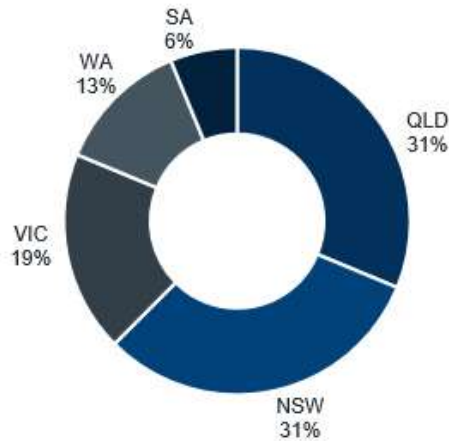
InvoCare's pet cremation network is a unique and growing national footprint. The segment operates primarily as a business-to-business (**B2B**) provider, with its customers comprising veterinarian practices who sell pet cremation services and products to the final customer and receive a rebate in return.

⁷¹ Source: InvoCare 2022 Annual General Meeting presentation 26 Mar 2023. Market share is estimated for FY22 based off Australian Bureau of Statistics (**ABS**) mortality statistics.

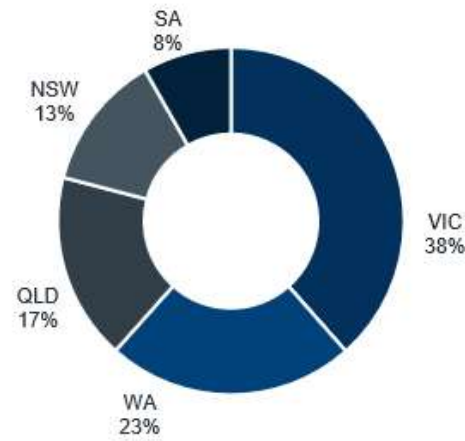
⁷² The Victorian and Western Australian State Governments do not currently allow private ownership or operation of cemeteries.

⁷³ Source: InvoCare.

InvoCare Pet Crematoria Locations by State (%)



InvoCare Pet Cremation Case Volume by State (%)



Source: InvoCare.

InvoCare’s pet cremations business operates under five key brands – Lawnswood, Edenhills, Pets in Peace, Family Pet Care and Patch & Purr.

InvoCare Pet Crematoria Brands



Source: InvoCare.

InvoCare’s Pet Cremation segment offers both communal cremations and private cremations, which allow the ashes to be return to the pet owner’s family. Memorialisation products and services for pets are similar in nature to those available for human services.

8.4.5 New Zealand

InvoCare is the number one provider of funeral services across New Zealand, operating in 48 locations under 24 regional brands. It also owns and operates 2 Memorial Parks and 10 Crematoria.

8.4.6 Singapore

InvoCare operates two funeral service locations in Singapore. It is the number one provider by case volume in the ethnic Chinese market.

Ethnic Chinese funeral customs are highly specific as it is believed that improper arrangements can lead to ill fortune upon the family of the deceased.⁷⁴ Proceedings require multi-day accommodation of the deceased and additional services such as monks, incense, effigies, catering, driving substantially higher average expenditure per case (i.e. a higher ‘case average’), which drives higher case averages

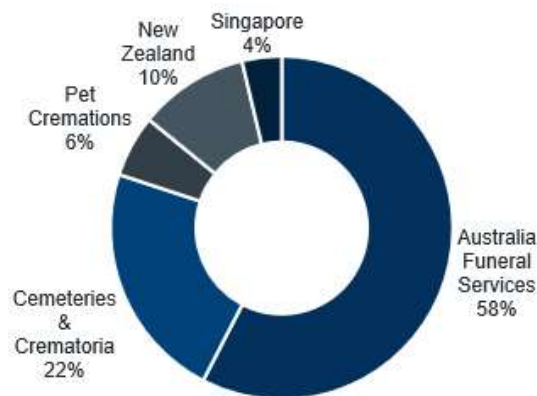
8.4.7 Relative Segment Contribution

The contribution of each segment to operating revenue and operating EBITDA (excluding support costs) in FY22 is presented as follows.

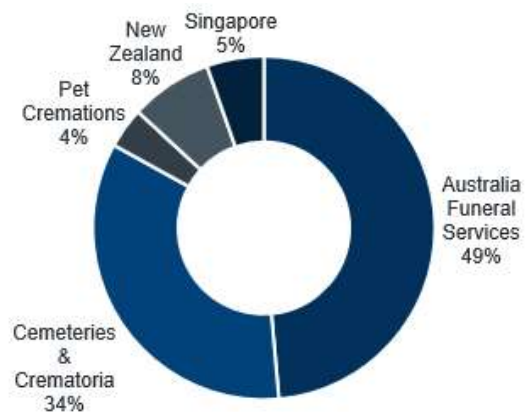
⁷⁴ Source: *Chinese customs, superstitions and traditions*. Ministry of Commerce of the People’s Republic of China.



InvoCare % Operating Revenue¹ by Segment FY22



InvoCare % Operating EBITDA¹ by Segment FY22



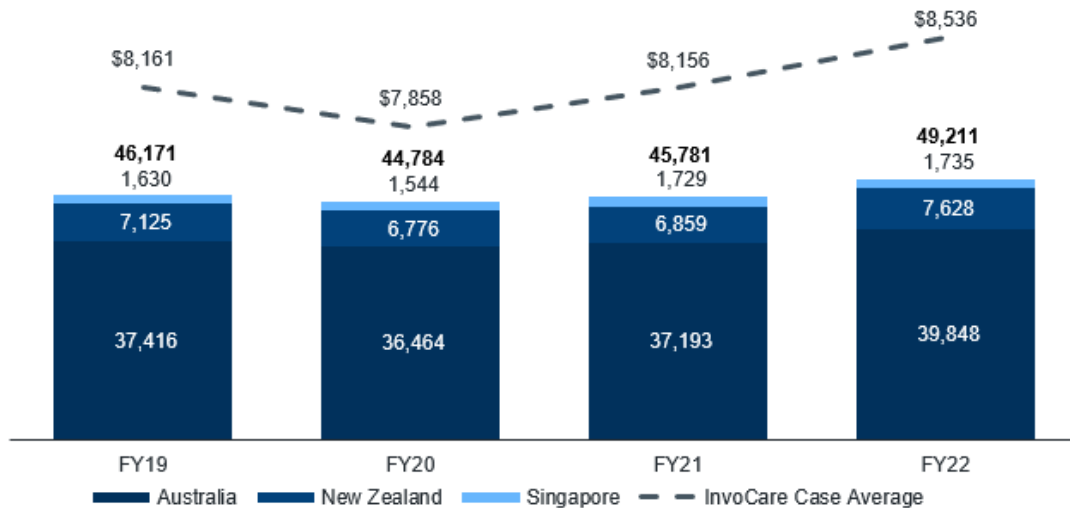
Source: InvoCare Group FY22 Results Presentation.
Note 1: Excludes support costs.

8.5 InvoCare case volumes and averages

8.5.1 Funeral Services

Funeral case volumes and average expenditure per case ('case average') are the primary revenue drivers for the funeral services businesses. InvoCare's funeral case volumes by segment and total funeral case average from FY19 are depicted in the following chart.

InvoCare Funeral Case Volume and Average Statistics by Year



Source: InvoCare.

Note: Funeral case averages are gross, including disbursements, and disclosed in Australian Dollars.

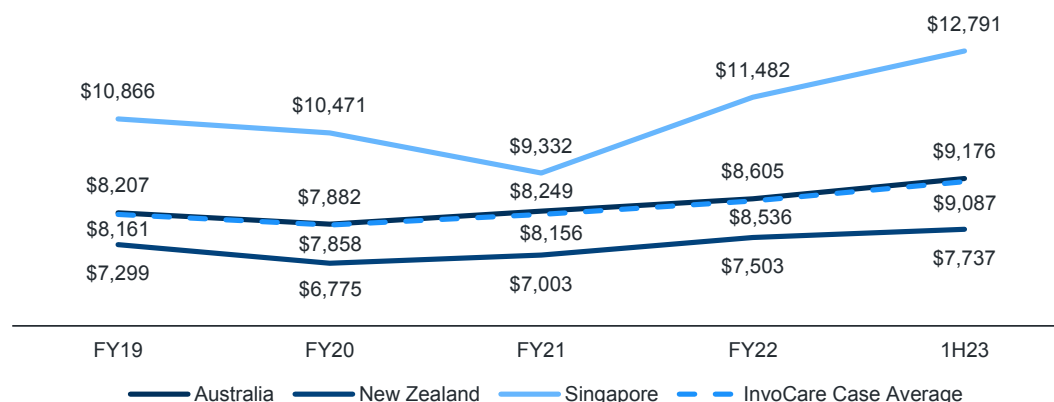
InvoCare's total funeral case volumes declined 3.0% in FY20, reflecting the significant impact of the COVID-19 pandemic on the business. The COVID-19 pandemic's effects were two-fold – the stringent social distancing laws introduced by governments drove a decline in the number of deaths in the geographical markets served by InvoCare and placed severe restrictions on the ability to host funeral gatherings. The company's total case volumes were also lower during the 2020 winter flu season, which is normally InvoCare's busiest time of year (and broadly spans April to September).

FY21 saw an increase in pandemic funeral case volumes (although below the long-term growth trajectory) and funeral case averages (other than in Singapore) despite various pandemic-related disruptions across the network at varying times of the year. Funeral case volumes increased by 2.2%, while funeral case averages increased by 3.8% over the same period. The easing of gathering restrictions led to drove



increased spend on higher service funerals and memorials in the higher service brands such as White Lady Funerals. Australian national mortality statistics show an increase in deaths in 2021 of 6.3%, compared with the increase in InvoCare’s Australian funeral case volumes of 2.0%, which implies a loss of market share for the company. InvoCare cited high workforce absenteeism and resourcing issues during this period.

InvoCare Movements in Funeral Case Average by Segment



Source: InvoCare

Note: Funeral case averages are gross, including disbursements, and disclosed in Australian Dollars.

The overall result of government restrictions was a substantial shift toward simpler funeral ceremonies and an increase in direct cremations in all markets, resulting in a 4.5% decrease in InvoCare’s funeral case average. As shown in the preceding chart, the impact was greatest in Singapore where full-service offerings that normally last for several days were affected by prolonged restrictions and ongoing bans on catered indoor wakes and gatherings, (the Singapore funeral case average declined 16.4% between FY19 and FY21). The New Zealand market was also greatly impacted, with restrictions in New Zealand more extreme than in Australia with no funerals or tangihanga⁷⁵ permitted in late March to April (only direct cremations or burials were permitted), resulting in a 25% decline in the second quarter funeral case averages versus the prior corresponding period. In the Australian and New Zealand markets, InvoCare was able to leverage its Simplicity and Value Cremation brands to cater for more simple arrangements that met government restrictions.

In FY22, funeral case volumes grew by 7.5% to 49,211, with strong growth recorded in Australia (7.1%) and New Zealand (11.2%), with both nations seeing a significant increase in mortality rates. However, growth in InvoCare’s Australian funeral case volumes lagged provisional national statistics, which showed an increase in death volumes in Australia of 11.3% from 2021 to 2022,⁷⁶ indicating a loss of market share for InvoCare as it struggled to resource adequately to meet the uplift in demand during peak months when demand spiked. In response to resourcing and capacity issues, InvoCare has commenced dynamic funeral scheduling initiatives that are designed to optimise the use of facilities and staff, with the aim of allowing InvoCare to conduct a higher number of funeral services using the same level of resources.

FY22 also saw a return to full-service farewells following the lifting of gathering restrictions, as shown by a 4.7% increase in funeral case averages across the business. This was particularly evident in Singapore, which saw a 23.0% increase in funeral case average. Of the three geographical segments, Singapore drives the highest funeral case average given the specific customs of the ethnic Chinese market.

1H23 saw a reduction in overall case volumes of 3.2% compared to 1H22, with case volumes lower in all three segments driven by soft market conditions highlighted by lower deaths in Australia as well as increased direct cremation in New Zealand.⁷⁷ Despite decreasing case volumes, funeral case averages continued to increase in all segments (an overall increase of 6.5% compared to 1H22), partly as a consequence of a range of price pressures on supply chains, inputs, and labour costs, with the increases outpacing the 6.0% increase in the Australian Consumer Price Index over the same period. Higher funeral case averages are also driven by expansion of the products and services offered by InvoCare, which is a notable difference

⁷⁵ Tangihanga, more commonly known as tangi, is a traditional funeral practiced by the Māori people of New Zealand.

⁷⁶ Based on ABS statistics of 171,469 registered deaths in Australia in 2021, and ABS provisional mortality statistics showing 190,775 deaths in Australia in 2022.

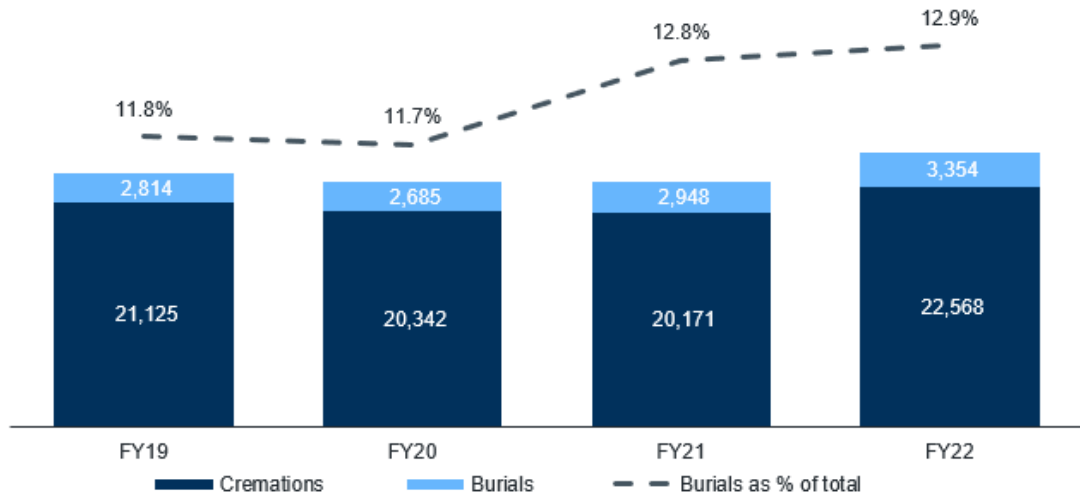
⁷⁷ “TPG Capital plays hard ball with InvoCare’s board to lower bid” Australian Financial Review, 7 August 2023.



between 1H23 and 1H22, with funeral attendance and ancillary services being impacted by COVID-19 restrictions across markets in 1H22.

8.5.2 Cemeteries and Crematoria

Cremations and Burials

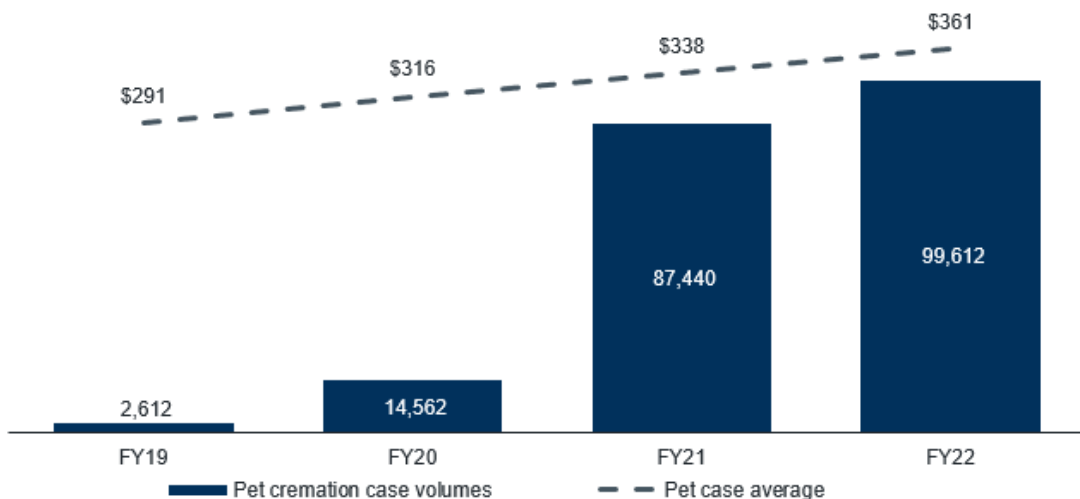


Source: InvoCare.

The volume of cremations performed by InvoCare decreased in FY20 and FY21 due to lower mortality rates during the COVID-19 pandemic, before rebounding strongly in FY22. The volume of burials decreased in FY20, however, growth recommenced in FY21, which has driven an increase in burials as a percentage of total burials and cremations, which was higher again in FY22. In 1H23, burials as a percentage of total cases increased again to 13.6%, 60 basis points than the percentage in 1H22 as the volume of cremations declined at a higher rate than the volume of burials.

8.5.3 Pet Cremations

Pet Cremation Case Volumes and Case Average



Source: InvoCare.

InvoCare's Pet Cremation segment was established in 2018 and has seen significant growth in case volumes over this period. To drive higher volumes it has been highly acquisitive, growing its national footprint to 16 pet crematoria and signing service agreements with key national veterinary groups. Pet cremation

case volumes have been relatively flat from 1H22 to 1H23, increasing by just 1.3%, while the pet case average has increased by 7.5% over the same period, outpacing inflation.

8.6 Cluster model

InvoCare’s network of funeral locations in Australia and New Zealand is operated and managed using a cluster model, whereby individual funeral homes are grouped around an SSC which provides centralised services including management, logistics oversight, and mortuary services. The SSCs also provide a base for certain infrastructure and resources, such as transport and funeral staff, which can then be deployed to funeral locations as required.

InvoCare cites several benefits to this strategy, including:

- increased utilisation of assets and resources, allowing InvoCare to generate economies of scale from its operational network;
- facilitates enhanced monitoring and control by management of the quality and consistency of services InvoCare provides;
- allows staff to focus on their designated areas of responsibility and develop specialist expertise in that area; and
- enables frontline staff to delegate responsibilities to the SSC, allowing them to focus on the client and client families.

8.7 Integrated offering by episode

In its core Australian market, InvoCare assists client families through all episodes of the customer journey, which the company defines as pre-need, at-need, and post-need, to maximise revenue opportunities.

InvoCare’s Integrated Offering by Episode

Episode	Offerings	Advantages/Disadvantages
Pre-Need	<ul style="list-style-type: none"> ▪ Pre-paid and pre-planned funerals offered as inflation proof contracts and paid off in instalments ▪ Memorial and plot reservation ▪ Funds received in advance are held in independently managed trusts and invested 	<ul style="list-style-type: none"> ▪ Shores up market share and limits future contestable market for competitors ▪ Locks in future earnings which provides comfort around the level of gearing in the business ▪ Allows a greater period to on-sell other services to customers ▪ Upside opportunity and downside risk on investment returns from Funds Under Management (FUM)
At-Need	<ul style="list-style-type: none"> ▪ Funeral service and event management ▪ Range of brand options and customer experiences 	<ul style="list-style-type: none"> ▪ High probability sales leads from the pre-paid offering and the ability to on-sell post-need services ▪ InvoCare has the largest platform (including local and national brands) to allow it to capture the majority of market volume through both physical and digital market channels
Post-Need	<ul style="list-style-type: none"> ▪ Flexible memorialisation options to mark farewell and provide enduring connections (both physical and digital options) ▪ High quality memorial parks with long term capacity 	<ul style="list-style-type: none"> ▪ Provides an extension of customer value ▪ Deepens the connection to the InvoCare brand and customer referral pipeline

Source: InvoCare.

8.7.1 Pre-need Funerals and Memorials

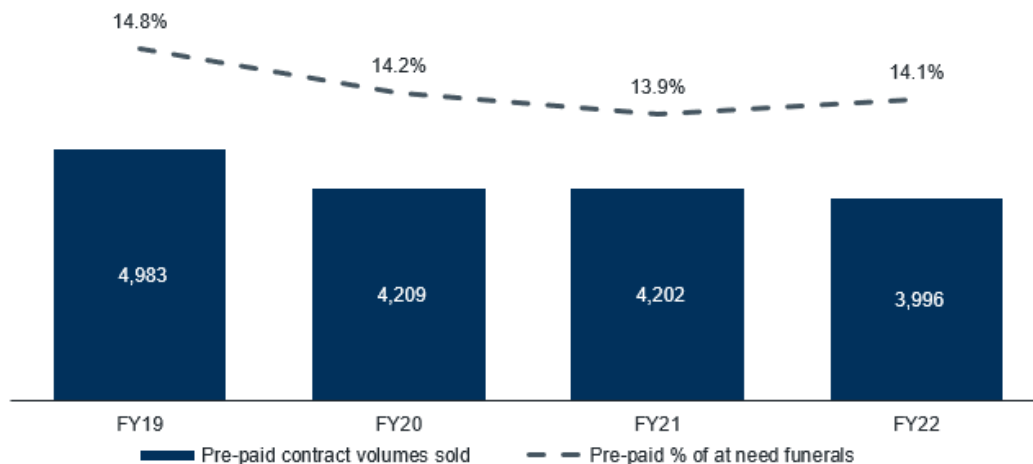
Under the pre-paid purchasing model, a client purchases funeral or cemetery and crematoria products and services, which InvoCare agrees to deliver upon passing of the client. These contracts can be paid up-front or in instalments over 36 months (up to 60 months for cemetery products) by the client and are inflation proof, meaning InvoCare bears the inflation risk over the life of the contract.



Funeral services can be redeemed at any location within the InvoCare network or through non-InvoCare providers. Products can be redeemed on a like-for-like basis; that is, if the selected product is not available at the time of passing it can be redeemed for a product of similar value. This prevents InvoCare from having to hold to excess inventory in order to perform on contracts.

InvoCare competes directly with other funeral service operators to provide pre-paid funerals, as well as insurance companies and societies who offer funeral bonds and funeral insurance products.

Pre-paid Funeral Contract Volumes



Source: InvoCare.

In FY22, pre-paid contracts accounted for approximately 14.1% of InvoCare's at-need funeral cases by volume. This percentage has been relatively consistent over time. The volume of contracts sold per year declined slightly throughout the COVID-19 pandemic, due to staffing issues and the fact that the pre-paid sales model relies heavily on InvoCare's ability to access aged care homes, which was severely limited due to government regulation and aged care home policies. The number of pre-paid contracts sold in 1H23 was 2,393, up 22% on 1H22, and the prepaid percentage of at-need funerals increased to 14.4%.

Funds received in advance under the pre-paid purchasing model are held in independently managed trusts and invested in a mix of equities (representing 34% of FY23 FUM by value), property (25%), and cash and fixed interest (41%). Investments are exposed to movements in capital markets, presenting both upside opportunity and downside risk through the revaluation of these assets. InvoCare management advise that the average age of pre-paid funeral contracts is approximately seven years.

8.8 Sustainability

InvoCare's commitment to its Environmental, Social, and Governance (ESG) goals has formed the foundations of its Sustainability Strategy. As part of its strategy, InvoCare seeks to drive genuine and lasting change across its operations by understanding the full scope of its ESG impact across its core sustainability areas – People, Place and Planet – to ensure its goals are measurable and realistic.

Examples of key sustainability initiatives under each of InvoCare's identified core sustainability areas include the following.

- **People** – promoting good health and wellbeing for employees; expansion of the Employee Assistance Program; psychological leadership training for leaders; enhanced parental and partner leave policies; introduction the Health and Safety Strategic Plan in 2021 to mitigate risk and prevent injuries; employee recognition through the InvoCare Awards program; actions to reduce inequality amongst the InvoCare workforce;
- **Place** – commitment to diversity, equity and inclusion programs; an emphasis on culturally diverse teams to help service clients; introduction of the Digital Transformation program; investing in life saving equipment and training, including the installation of defibrillators at funeral locations; supporting community organisations through a new Community Engagement framework; and

- **Planet** – the sourcing of affordable and clean energy, including investigating and implementing opportunities to improve building efficiency; fleet electrification, from replacing combustion vehicles with hybrid vehicles, to adoption of battery powered robot mowers; responsible consumption and production, including the retirement of inefficient gas or diesel cremators and replacement with enhanced energy efficient technologies which can reduce overall gas usage.

8.9 Financial performance

8.9.1 Historical financial performance

From 1 January 2023, InvoCare adopted AASB 17 Insurance Contracts (**AASB 17**) which changes the accounting for pre-paid contracts. Although AASB 17 does not impact on the economics or cash flows of pre-paid contracts, a key difference is the timing of when the profit or loss on delivery of a pre-paid funeral contract is recognised in the statutory profit or loss. Under AASB 17 the release of revenue/profit is spread over the life of the pre-paid contract. Under AASB 15 all revenue/profit on pre-paid contracts was released at the end of the contract at the time of the beneficiary's death. InvoCare management has reflected the full impact of AASB 17 in non-operating earnings.

The following table summarises the financial performance of InvoCare for FY20, FY21, FY22 and 1H23.

InvoCare Financial Performance (\$ millions)

	FY20 restated ¹⁰	FY21 audited	FY22 audited	1H23 reviewed
Operating revenue¹	476.2	527.1	588.5	289.2
Finished goods, consumables and funeral disbursements	(122.5)	(130.4)	(149.0)	(73.0)
Operating expenses	(251.2)	(271.2)	(303.5)	(153.8)
Operating EBITDA²	102.6	125.5	136.1	62.4
Depreciation and amortisation	(42.6)	(47.8)	(49.6)	(26.6)
Pre-paid technology expense	(0.8)	(0.7)	(1.3)	(1.2)
Business acquisition costs	(1.9)	(0.7)	(1.0)	(0.2)
Net gain on lease modifications/terminations	-	1.5	0.4	0.0
Operating EBIT³	57.3	77.8	84.6	34.3
Non-operating EBIT ⁴	(37.9)	49.5	(73.3)	(12.5)
Statutory EBIT	19.4	127.3	11.3	21.8
Net interest expense	(23.9)	(16.5)	(15.4)	(15.3)
Net (loss)/profit before tax	(4.4)	110.9	(4.1)	6.5
Income tax expense	(7.0)	(30.6)	2.4	(2.0)
Net (loss)/profit after tax	(11.4)	80.3	(1.7)	4.5
(Profit) attributable to non-controlling interests ⁵	(0.2)	(0.1)	(0.1)	(0.0)
(Loss)/profit after tax attributable to InvoCare Shareholders	(11.5)	80.2	(1.8)	4.5
Statistics				
Operating revenue growth	(4.7%)	10.7%	11.7%	2.1%
Operating EBITDA growth	(29.0%)	22.3%	8.5%	(8.9%)
Operating EBITDA margin	21.5%	23.8%	23.1%	21.6%
Operating expenses/Sales	52.7%	51.5%	51.6%	53.2%
Interest coverage				
Net interest cover (times) ⁶	8.3	15.8	19.0	13.6
Per share metrics				
Weighted average number of InvoCare Shares (million)	133.9	142.9	143.0	143.1
Basic EPS (cents) ⁷	(8.6)	56.1	(1.3)	3.1
Operating EPS (cents) ⁸	20.9	31.6	35.1	12.8
Dividends per share (cents)	12.5	21.0	24.5	-
Dividend payout ratio ⁹	60%	66%	70%	0%

Source: InvoCare Annual Reports, Financial Reports and Results Presentations, InvoCare management; Kroll analysis.

Notes:

1. Operating revenue is revenue for the Group excluding revenue earned from the pre-paid funerals business.
2. Operating EBITDA is operating earnings before interest, tax, depreciation and amortisation, business acquisition costs, SaaS arrangements expense and gain/loss on lease modification/termination.
3. Operating EBIT is operating earnings before interest, tax.



Notes (continued):

4. Non-operating EBIT includes revenue and expenses related to pre-paid funerals business and items set out in the table below and reflects AASB 17 accounting from 1 January 2023.
5. Non-controlling interests related to the subsidiary, Macquarie Memorial Park Pty Limited, which had a non-controlling interest of 16.86%. InvoCare purchased this interest in August 2023.
6. Calculated as operating EBITDA divided by net finance costs excluding AASB 16 interest, merchant fees and interest on customer advance payments. Interest cover calculation used for bank covenant testing purposes uses an adjusted EBITDA measure. R12 measure uses rolling 12 month operating EBITDA.
7. Basic EPS is reported (loss)/profit divided by weighted average number of InvoCare Shares.
8. Operating EPS is operating net profit after tax divided by the weighted average number of InvoCare Shares.
9. Dividend payout ratio is dividend per share divided by operating EPS.
10. FY20 has been restated to reflect the impact of a change in accounting for Software as a Service (SaaS) contracts. The restatement resulted in a decrease in depreciation and amortisation of \$1.7 million, an increase in expenditure on SaaS arrangements of \$10.4 million, a \$6.2 million impairment loss on intangibles and a decrease in tax of \$0.9 million. Operating and Statutory EBITDA was unchanged, Statutory EBIT decreased by \$3.2 million and Statutory NPAT decreased by \$2.3 million.

On adoption of Revenue from Contracts with Customers AASB 15 (**AASB 15**) in 2018, a large amount of deferred revenue and cost was recognised on the balance sheets for contracts with customers (where the customer did not have control of the underlying good or service) as at that date. FY22 is the final year of material contribution of the transition benefit unwind. The following table sets out underlying operating revenue and EBITDA after removing the impact of the AASB 15 transition benefit unwind:

Impact of Unwinding of AASB 15

	FY20 restated	FY21 audited	FY22 audited	1H23 reviewed
Operating revenue	476.2	527.1	588.5	289.2
Less: AASB 15 transition benefit unwind	(20.3)	(18.8)	(17.0)	(1.8)
Underlying operating revenue (pre-AASB transition benefit unwind)	455.9	508.3	571.5	287.4
Operating EBITDA	102.6	125.5	136.1	62.4
Less: AASB 15 transition benefit unwind	(15.3)	(14.3)	(13.5)	(1.5)
Underlying operating EBITDA (pre-AASB 15 transition benefit unwind)	87.3	111.2	122.6	60.9
Statistics				
<i>Underlying operating revenue growth</i>	(5.7%)	11.5%	12.4%	4.7%
<i>Underlying operating EBITDA growth</i>	(33.9%)	27.4%	10.3%	(0.9%)
<i>Underlying operating EBITDA margin</i>	19.1%	21.9%	21.5%	21.2%

Source: InvoCare Annual Reports, Financial Reports and Results Presentations, InvoCare management; Kroll analysis.

In relation to the financial performance of InvoCare, we note:

- operating revenue declined in FY20 in response to the COVID-19 pandemic and its impact on the number of deaths in the markets in which InvoCare operates and the restrictions placed on funeral services in those markets, then increased strongly in FY21 and FY22, primarily driven by growth in Funeral Services in Australia in FY21 and FY22 (following increases in the number of deaths and lifting of government restrictions on gatherings) and the first full year earnings contribution from Pet Cremations in Australia in FY21 (following the material acquisitions in this business in FY20). Underlying operating revenue (excluding the impact of AASB 15 transition benefit unwind) increased by 4.7% in 1H23 relative to the prior corresponding period (**pcp**) reflecting case average growth and strong memorialisation sales, despite softer market volumes due to a reduction in deaths compared to the pcp the relatively benign impact of the 2023 flu season to date. A description of operating revenue performance on a segment basis is provided in Section 8.9.2 of this report;
- from FY19 to FY20, operating EBITDA margin declined from 28.9% to 21.5% and operating expenses/sales increased from 46.1% to 52.7% due in part to the 4.7% decline in operating revenue following the COVID-19 impact on volumes. InvoCare's high fixed cost base and contractual wage rises meant that this lower revenue flowed directly through to operating EBITDA. In addition, advertising expenditure was higher in order to protect market share, the impact of acquisitions and of new sites resulted in higher facilities costs, and increased IT investment led to higher software licence costs;
- in FY21, the recovery in key value drivers (case volume and average) and improved cost control drove strong earnings growth. Operating expenditure increased as a result of acquisitions, wage inflation,

increase incentives costs as a result of strong financial performance in the year and capability investments in support office functions as a result of Phase 1 of the Strategic Plan. Overall, operating expenses/sales declined to 51.5% and operating EBITDA margin increased to 23.8%;

- in FY22, COGS increased by 14% due to the frictional cost of servicing excess volumes, and operating costs increased in line with revenue growth. Cost growth reflects ongoing investment in technology and capability investment in Field Support functions such as digital marketing, procurement, safety and recruitment. As a result, operating expenses/sales remained flat and operating EBITDA margin declined slightly to 23.1%;
- in 1H23, underlying operating EBITDA (excluding the impact of AASB 15 transition benefit unwind) was marginally lower than in the pcp, as cost control was hampered by inflationary impacts and technology investments;
- depreciation and amortisation expense includes amortisation of right of use assets and amortisation of capitalised software. Depreciation and amortisation increased throughout the period presented;
- a breakdown of non-operating EBIT is presented as follows:

Non-operating EBIT (\$ millions)

	FY20 restated	FY21 audited	FY22 audited	1H23 reviewed
Non operating EBITDA	(4.9)	(0.5)	(3.4)	(10.2)
Depreciation and amortisation	(0.0)	(0.0)	(0.0)	2.1
Acquisition related costs	-	-	-	(1.3)
Restructuring costs	-	-	(1.5)	-
Net gain/(loss) on pre-paid contracts	(16.6)	44.1	(55.6)	6.7
SaaS arrangements - expensed as incurred	(10.4)	(4.6)	(13.4)	(9.3)
Accounting standard transition expenses	-	-	-	(0.6)
Asset sales gain	7.4	6.5	0.5	0.1
Net impairment gain/(loss)	(13.3)	4.0	-	-
Non-operating EBIT	(37.9)	49.5	(73.3)	(12.5)

Source: InvoCare Annual Reports, Financial Reports and Presentations.

Note: Non-operating depreciation and amortisation in FY20, FY21 and FY22 is less than \$0.05 million.

- non-operating EBIT fluctuated significantly between years, mainly reflecting gains and losses on mark-to-market revaluations of pre-paid contract funds under management (FUM). These are held in independently managed trusts and invested in a mix of equities, property, cash and fixed interest. The gain in FY21 reflects strong returns on equities and property valuations and the loss in FY22 reflects volatility in global equity markets. Stabilisation of equity markets resulted in a gain in 1H23. Other variations in non-operating EBIT relate to an impairment loss in FY20, variations in expenditure on SaaS arrangements between years and the adoption of AASB 17 in 1H23;
- net interest expense includes interest on debt as well as on customer advance payments and lease liabilities, foreign exchange gains/losses, loan establishment and commitment fees, merchant fees and interest rate swap costs. Net interest expense declined in FY21 as the proceeds from an equity raising in April and May 2020 were used to repay borrowings and due to lower interest margins charged following the refinancing of debt arrangements in the year. Lower net interest expense in FY22 reflects lower commitment fees and higher interest income earned and also includes a \$1.1 million foreign exchange gain on NZ\$ denominated debt. In 1H23, higher net finance costs reflect the adoption of AASB 17 and a \$2.8 million increase in underlying net finance costs from the impact of cycling a \$1.6 million foreign exchange gain in the pcp and higher market interest rates;
- the Group's effective tax rate on FY22 operating earnings was 29% and reflects a blend of the tax rates in Australia, New Zealand and Singapore; and
- operating EPS increased at a CAGR of 29.6% from 20.9 cents in FY20 to 35.1 cents in FY22. In FY20, InvoCare's dividend payout ratio was at the low end of its targeted range of 60% to 80% of operating profit after tax in order to preserve cash in response to the COVID-19 pandemic. The payout ratio was increased to 70% in FY22. In 1H23, operating EPS (including the impact of the unwinding of AASB 15 transition benefit) declined by 33.7% and underlying operating EPS (excluding the impact of the unwinding of AASB 15 transition benefit) declined by 23.9%. No dividend was declared for 1H23.

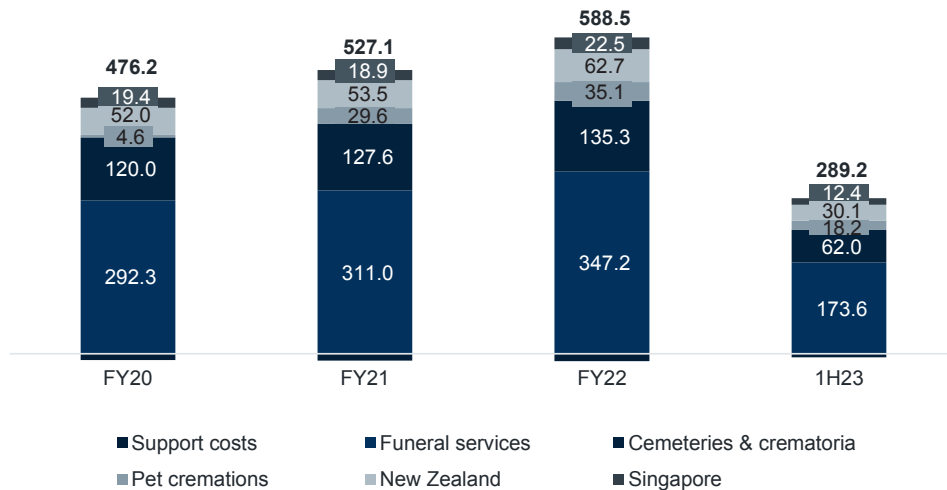


8.9.2 Segment performance

Operating revenue by segment

InvoCare's operating revenue by segment is illustrated as follows:

Operating Revenue by Segment (\$ millions)



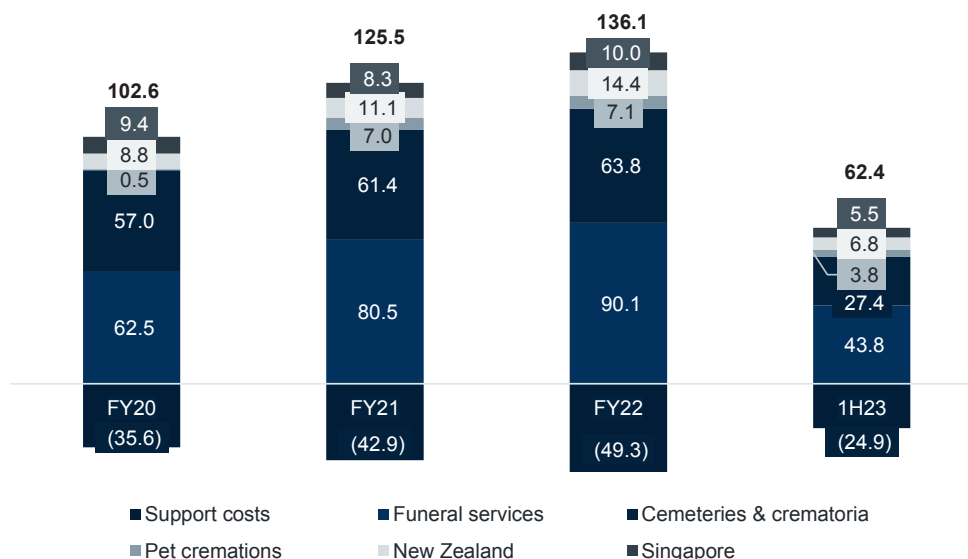
Source: InvoCare Annual Reports, Financial Reports and Results Presentations.

- in FY20, operating revenue declined by 4.7%, reflecting lower funeral case volumes due to the COVID-19 pandemic related lockdowns, lower case averages driven by a shift in brand mix towards lower cost options and product offering availability. New Zealand was hit hardest during the April 2020 lockdown as direct cremation was the only offering available;
- in FY21, operating revenue increased strongly by 10.7%, reflecting a recovery in funeral case volumes and funeral case averages, as well as the contribution from pet cremations due to the first full year impact of the acquisition of Family Pet Care and Pets in Peace in November 2020. New Zealand stabilised as the funeral case average continued to recover, while Singapore continued to decline as persistent government restrictions on traditional gatherings fuelled growth in direct cremations, despite record funeral case volumes;
- in FY22, operating revenue increased strongly by 11.7%, reflecting a 7.5% growth in funeral case volumes due to 'excess death' spikes at various times during the period and mortality rates trending back to long term averages, growth in funeral case average (particularly in New Zealand where restrictions were relaxed in the second quarter, allowing for additional service offerings), and continued growth in pet cremations. Revenue in Singapore increased due to higher case averages reflecting expanded packages and larger gatherings following the relaxation of restrictions from May 2022, while case volumes remained flat; and
- in 1H23, operating revenue increased by 2.1% relative to the pcp and underlying operating revenue (pre-AASB 15 transition benefit unwind) increased by 4.7% relative to the pcp (restated), reflecting strong growth in Funerals Australia, Pet Cremations Australia and Singapore due to case average growth and moderate growth in Cemeteries & Crematoria Australia, as higher sales of memorialisation offerings were partially offset by lower volumes. New Zealand revenue declined on lower case volumes.

Operating EBITDA by segment

InvoCare's operating EBITDA by segment is illustrated as follows:

Operating EBITDA by Segment (\$ millions)



Source: InvoCare Annual Reports, Financial Reports and Results Presentations.

In relation to the EBITDA segment performance, we note:

- in FY21, operating EBITDA growth for Funeral Services in Australia outpaced revenue growth, increasing by 28.8% in FY21, as a result of higher case averages (as COVID-19 pandemic restrictions subsided) and funeral case volumes (up 2%) and sales driven improvements in operating leverage (largely fixed cost base). In FY22, operating EBITDA increased in line with revenue as disciplined pricing partially offset cost inflation impacts and labour constraints impacted operating leverage. In 1H23, operating EBITDA remained flat relative to the pcp as case average growth was offset by wage inflation in a softer market;
- operating EBITDA for Cemeteries & Crematoria in Australia broadly tracked revenue growth in FY21 and FY22 as elevated rainfall impacted memorialisation development and park maintenance costs. In 1H23, operating EBITDA decreased by 16% or \$5 million on the back of cycling the final year of material contribution to earnings of the unwind of AASB 15 transition benefits (down \$5.6 million). Underlying operating EBITDA (pre AASB 15 transition benefit unwind) increased 2% with strong growth in memorialisation sales offsetting the impact of the softer market on burial and cremation fee revenue;
- Pet Cremations in Australia contributed \$7.0 million of operating EBITDA in FY21 and \$7.1 million in FY22. In FY22, despite revenue growth, flat earnings contribution reflected increased labour cost investment to meet volume demands and capability requirements for the next stage of growth. In 1H23, operating EBITDA increased by 49% as a result of growth in volume and case average and strong cost control;
- operating EBITDA for New Zealand outpaced revenue growth in FY21 and FY22, reflecting the benefit of operating leverage, labour constraints and cost control. In 1H23, operating EBITDA declined by 13.1% relative to the pcp, reflecting the impact of wage inflation in a softer market; and
- Singapore's operating EBITDA declined in FY21 reflecting the impact of government restrictions on gatherings and higher costs to serve, before increasing broadly in line with revenue in FY22 and 1H23 as restrictions eased.



8.9.3 Outlook

InvoCare has not provided earnings guidance for FY23 or beyond. In order to provide an indication of InvoCare's expected future financial performance, Kroll has considered broker forecasts.

As far as Kroll is aware, InvoCare is followed by five brokers, each of whom has published a report following the 1H23 trading update provided in the announcement on 9 August 2023 that InvoCare entered into the Scheme Implementation Deed with TPG.

InvoCare's broker consensus for FY23 to FY25 is summarised as follows.

InvoCare Broker Consensus

	Actual	Broker Consensus		
	FY22	FY23	FY24	FY25
Underlying operating revenue (pre-AASB 15 transition benefit unwind)	571.5	596.8	640.9	679.0
AASB 15 transition benefit unwind	17.0	1.8	-	-
Operating revenue	588.5	598.6	640.9	679.0
Underlying operating EBITDA (pre-AASB 15 transition benefit unwind)	122.6	130.5	149.0	165.2
AASB 15 transition benefit unwind	13.5	1.5	-	-
Operating EBITDA	136.1	132.0	149.0	165.2
Depreciation and amortisation (including pre-paid technology expense) ¹	(50.9)	(50.9)	(52.9)	(53.1)
Business acquisition costs and net gain on lease modifications/terminations	(0.6)	-	-	-
Operating EBIT	84.6	78.2	89.8	106.3
Operating NPAT	51.0	42.6	50.0	61.4
Earnings				
Operating EPS (cents)	35.1	31.0	35.0	42.0
Dividends per share (cents)	24.5	20.8	24.0	30.0
Payout ratio (DPS/EPS)	69.8%	67.1%	68.6%	71.4%
Key Metrics				
Underlying operating revenue growth	12.4%	4.4%	7.4%	5.9%
Underlying operating EBITDA growth	10.3%	6.4%	14.2%	10.9%
Underlying operating EBITDA margin	21.5%	21.9%	23.2%	24.3%
Operating NPAT margin	8.7%	7.1%	7.8%	9.0%

Source: Broker reports.

Note 1: In the forecast period, calculated as the residual between operating EBITDA and operating EBIT.

With regard to the InvoCare broker consensus summarised above, we note:

- broker consensus figures in the table above are the median of the five broker's forecasts. More detail is shown in Appendix 3;
- revenue forecasts for two of the five brokers were adjusted to exclude rent and sundry income. Depreciation and amortisation (including pre-paid technology expense) was adjusted for one broker to include pre-paid technology expense;
- the broker consensus declined slightly following the trading update on 9 August 2023, in which management advised that the near-term economic environment remains challenging, citing softened volumes and inflationary environment negatively impacting margins. Two brokers downgraded revenue, operating EBITDA, operating EBIT and operating NPAT marginally; and
- brokers identify weaker than expected volumes, operating cost increases and government policy changes as key risks to future performance.

Further details of the broker estimates are included in Appendix 3.

8.10 Historical Financial Position

The following table summarises the financial position of InvoCare as at 31 December 2022 (restated to reflect the impact of AASB 17) and 30 June 2023 (reviewed).

InvoCare Financial Position (\$ millions)

	As at 31 December 2022 Restated ⁷	As at 30 June 2023 Reviewed
Trade and other receivables	87.9	86.3
Inventories	45.5	48.7
Trade and other payables	(85.8)	(48.2)
Net working capital	47.5	86.8
Property, plant and equipment	526.1	518.5
Right-of-use assets	158.4	153.9
Goodwill and intangible assets	233.0	234.7
Pre-paid technology assets	15.7	16.1
Net pre-paid funds under management/contract liabilities	175.5	168.1
Deferred selling costs	14.7	15.3
Deferred contract assets	5.7	7.0
Deferred revenue	(80.1)	(80.4)
Net tax items	(82.4)	(68.9)
Right of use lease liabilities	(169.1)	(166.8)
Other items ¹	(15.2)	(13.8)
Total funds employed	830.0	870.5
Cash	31.7	21.9
Borrowings	(200.6)	(240.9)
Finance lease liabilities	(13.4)	(13.4)
Net cash/(debt) (including leases)	(182.3)	(232.4)
Net assets	647.6	638.1
Total equity	647.6	638.1
Equity attributable to non-controlling interests	(1.4)	(1.4)
Equity attributable to InvoCare Shareholders	646.3	636.7
Statistics		
Average working capital as a % of sales ²	8.8%	12.9%
Number of shares at period end (millions) ³	143.1	142.9
Net assets per ordinary share ⁴	\$4.52	\$4.46
ROCE ⁵	10.6%	9.0%
Debt leverage ratio ⁶	1.2x	1.8x

Source: InvoCare Annual Reports, Financial Reports and Results Presentations; Kroll analysis.

Notes:

- Other items includes derivative financial instruments, deferred/contingent consideration liabilities arising from acquisitions, provisions for employee entitlements, other financial assets (including investment in associate) and assets held for sale as applicable.
- Average working capital as a % of sales is calculated as average of opening and closing working capital divided by operating revenue for a 12 month period.
- Net of treasury shares.
- Net assets per ordinary share is calculated as equity attributable to shareholders divided by number of shares at period end.
- Return on capital employed (**ROCE**) is calculated as operating EBIT divided by average capital employed. R12 measure uses rolling 12-month operating EBIT and average capital employed using prior period end balances.
- Debt leverage ratio is calculated as net debt divided by rolling 12-month operating EBITDA. Leverage calculation used for bank covenant testing uses an adjusted EBITDA measure. Adjusted EBITDA is primarily adjusted to include pro forma earnings from acquisitions and adjustments for costs arising from restructuring initiatives.
- Restated to reflect the impact of AASB 17. The main impacts are to reduce pre-paid contract liabilities such that net pre-paid FUM/liabilities increases, decrease deferred selling costs, increase deferred contract assets and decreases deferred revenue. Refer to Note 3.G.2 of the 1H23 Financial Report for further details.

With regard to the financial position, we note the following:

- inventories comprise funeral merchandise and memorialisation property items in the Funerals, Cemeteries & Crematoria and Pet cremations businesses;



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- at 30 June 2023, net working capital returned to more normal levels after a timing impact of elevated December trade payables (including \$11.3 million of 2022 capital expenditure invoices paid in 1H23). Remaining movement in trade and other payables relates to the timing of payments of employee incentives (usually paid in March each year) and the unwind of insurance premium funding liabilities in 1H23;
- the business is capital intensive. As at 30 June 2023, property, plant and equipment represented 59.6% of funds employed and mainly included cemetery land, freehold land and buildings. Cemetery land is carried at cost less accumulated depreciation and impairment write-downs. InvoCare sells interment and inurnment rights while retaining title to the property. Cemetery land is amortised, as the right to each plot or space is sold, to write off the net cost of the land over the period in which it is utilised and an economic benefit has been received. Other freehold land is not depreciated or amortised;
- right of use assets mainly includes leases on properties;
- goodwill and intangible assets includes goodwill, brand name and capitalised software;
- pre-paid technology assets relate to specific implementation costs for SaaS arrangements that are recognised as pre-paid technology asset and unwound over the period of software service through the income statement (below operating EBITDA). Other SaaS related costs are expensed as incurred through non-operating EBIT;
- pre-paid contract FUM asset is recognised on the balance sheet with fair value movements recognised through the income statement (in non-operating EBIT). The obligation to perform under the contract is recognised as a liability with movements for the discounting of these pre-paid contract liabilities to present value going through the income statement as finance income/(expenses) (in non-operating EBIT). The net surplus declined by 4.2% to \$168.1 million at 30 June 2023 compared to 31 December 2022 (restated to reflect the impact of AASB 17) as a result of net movement from sales of new contracts and redemptions and from non-cash related accounting adjustments (including mark-to-market revaluation gain of \$6.7million to FUM and impact of AASB 17 accounting on pre-paid contract liabilities) ;
- deferred selling costs are direct selling costs related to revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services (e.g. commissions to employees). These unwind through employee expenses when related revenue is recognised;
- deferred contract assets relates to deferred cost of goods sold which is associated with revenue deferred on undelivered memorials and merchandise and unperformed burial and cremation services;
- as at 30 June 2023, other items (a net liability of \$13.8 million) included \$22.0 million of provisions for employee entitlements net of \$8.2 million of other financial assets. Other financial assets at 30 June 2023 included a 9.6% interest in Memories Group Limited, a provider of secure digital memorialisation services (\$4.1 million), an investment in Parting Stone Australia Pty Limited, a joint venture with a US based partner that provides services to turn cremated remains into memorialisation products (\$1.9 million), and a 30% investment in Picaluna Group, a bespoke funeral provider (\$2.3 million); and
- deferred revenue relates to undelivered memorials and merchandise and unperformed burial and cremation services. These are recognised when service is provided e.g. for memorials upon delivery of the contract, usually reflects receipt of payment in full.

8.10.1 Borrowings

As at 30 June 2023, InvoCare had \$21.9 million of cash, \$240.9 million of drawn debt (net of capitalised borrowing costs), \$13.4 million of finance leases and \$166.8 million of right of use lease liabilities i.e. \$399.2 million of net borrowings (including lease liabilities).



InvoCare Borrowings as at 30 June 2023 (\$ million)

	Drawn	Undrawn	Limit	Tenor remaining
Note Purchase Agreement	100.0	-	100.0	Feb 2028
Syndicated debt	142.1	132.9	275.0	Aug 2024
Working capital overdraft facility	-	7.4	7.4	Feb 2024
Total borrowings	242.1	140.3	382.4	
Less: capitalised borrowing costs	(1.2)			
Balance sheet debt	240.9			

Source: InvoCare 1H23 Financial Report and Results Presentation.

As at 30 June 2023, InvoCare had undrawn facilities of \$140.3 million. The syndicated debt facility is a Multi-Currency Revolving Cash Advance facility and interest is variable (calculated as BBSY + margin). Interest on the Note Purchase Agreement is fixed at 4.81%. In 1H23, InvoCare's weighted average cost of debt was 5.01% (compared with 3.88% in 1H22). A portion of borrowings are denominated in Singapore dollars in order to provide a natural hedge against exchange rate risk.

InvoCare's performance against covenants as at 31 December 2022 and 30 June 2023 is presented as follows.

InvoCare Performance against Covenants

	Covenant	31 December 2022 Audited	30 June 2023 Reviewed
Debt leverage ratio r12 ^{1,3}	<3.5x	1.3x	1.8x
Interest cover ratio r12 ^{2,3}	>3.0x	19.0x	13.6x

Source: InvoCare 1H23 Financial Report and Results Presentation.

Notes:

1. Calculated as net debt divided by rolling 12-month operating EBITDA. Leverage calculation used for bank covenant testing uses an adjusted EBITDA measure. Adjusted EBITDA is primarily adjusted to include pro forma earnings from acquisitions and adjustments for costs arising from restructuring initiatives.
2. Calculated as rolling 12-month operating EBITDA divided by net finance costs excluding AASB 16 interest, merchant fees and interest on customer advance payments. Interest cover calculation used for bank covenant testing purposes uses an adjusted EBITDA measure.
3. R12 measure uses rolling 12 month operating EBITDA.

InvoCare's performance was within covenant ratios at each of the periods presented.



8.11 Cash flows

The following table summarises the cash flow statement of InvoCare for FY20, FY21, FY22 and 1H23.

InvoCare Cash Flows

	FY20 Restated ¹	FY21 Audited	FY22 Audited	1H23 Reviewed
Operating EBITDA	102.6	125.5	136.1	62.4
Non operating EBITDA	(4.9)	(0.5)	(3.4)	(10.2)
Statutory EBITDA	97.6	125.0	132.7	52.2
Decrease/(increase) in net working capital ²	(2.6)	(19.1)	(29.1)	(26.0)
Net funds from pre-paid contracts	12.9	29.3	29.8	13.4
Normalised ungeared, tax free operating cash flows	107.9	135.2	133.5	39.6
SaaS arrangements expensed as incurred	(7.2)	(4.2)	(13.4)	(9.3)
Ungeared, tax free operating cash flows	100.7	131.0	120.1	30.3
Capital expenditure - maintenance	(14.4)	(23.8)	(25.5)	(7.6)
Capital expenditure - investment - platform	(4.9)	(11.6)	(12.4)	(1.6)
Tax paid	(14.4)	(9.8)	(6.3)	(14.9)
Free cash flow	67.0	85.8	75.8	6.2
Net finance costs paid	(17.0)	(14.2)	(14.3)	(7.6)
Net (acquisitions)/divestments	(28.7)	(5.5)	(9.8)	(3.7)
Capital expenditure - investment - growth/network	(41.6)	(27.2)	(25.4)	(16.5)
Cash flow after investing activities	(20.4)	38.8	26.4	(21.6)
Dividends paid	(29.5)	(23.9)	(36.2)	(15.8)
Capital raising (net of issue costs)	270.9	-	-	-
Net drawn down/(repayment) of borrowings	(106.8)	(59.7)	9.6	40.1
Net lease payments	(11.6)	(20.2)	(22.2)	(10.4)
Other	(3.2)	-	0.0	(2.1)
Net cash generated/(used)	99.4	(64.9)	(22.4)	(9.7)
Opening cash and cash equivalents	19.6	118.8	53.7	31.7
Net cash generated/(used)	99.4	(64.9)	(22.4)	(9.7)
Effects of exchange rate changes	(0.2)	(0.2)	0.5	(0.0)
Closing cash and cash equivalents	118.8	53.7	31.7	21.9
Statistics				
Cash conversion ratio ³	103%	105%	90%	58%
Normalised cash conversion ratio ⁴	111%	108%	101%	76%

Source: InvoCare Annual Reports, Financial Reports and Results Presentations; Kroll analysis.

Notes:

- Restated to reflect SaaS accounting. Impact of SaaS adjustment in FY20 was to reduce capital expenditure by \$7.2 million in FY20 and \$4.6 million in FY21 and \$13.4 million in FY22. This amount is now expensed as incurred through non-operating EBIT and captured in operating cash flows instead of investment cash flows.
- Calculated as residual.
- Calculated as ungeared, tax free operating cash flows including net cash flows related to prepaid contracts / Statutory EBITDA which is consistent with the InvoCare FY22 results presentation.
- Calculated as normalised ungeared, tax free operating cash flows excluding other cash flows related to pre-paid contracts / Statutory EBITDA.

In relation to InvoCare's cash flows, we note the following:

- in FY21, working capital initiatives under Phase 1 of the Strategic Plan improved cash conversion. The ungeared, tax free operating cash flow increase mainly reflected growth in earnings and pre-paid contracts. Higher cash flows were used to fund increased platform investment and maintenance capital expenditure, with a moderate increase in free cash flow;
- despite continued growth in earnings in FY22, ungeared, tax free operating cash flow was lower, reflecting higher working capital (due to an increase in current and forwards aged receivables) and growth in SaaS expenditure. Cash flows were used to fund continued platform and maintenance capital expenditure, with a moderate decrease in free cash flow;
- in 1H23, lower free cash flow compared to HY22 reflects lower operating EBITDA, an increase in working capital and SaaS costs, higher tax paid reflecting a higher tax instalment rate and an increase in capital expenditure, which include \$11.3 million of expenditure relating to December 2022 invoices;

- in FY20, a \$274 million equity raising was used to fund the acquisition of two pet cremation businesses (Family Pet Care and Pets in Peace) for upfront consideration of \$37.9 million and significant growth in capital expenditure related to the final year of the NBO program as well as to repay borrowings;
- in FY21 and FY22, finance costs, acquisitions (net) and growth capital expenditure were more moderate and were fully funded from free cash flow. Residual cash after investing activities and cash balances were used to pay leases (which were higher due to new facilities and acquisitions) and dividends and to repay borrowings;
- in 1H23, cash balances, a drawdown of debt and modest free cash flow were used to fund growth capital expenditure and acquisitions and pay dividends (namely the FY22 final dividend); and
- InvoCare has paid dividends to InvoCare Shareholders in each period. The lower dividends in FY21 reflects the lower final FY20 dividend declared.

8.12 Capital structure and ownership

As at 18 September 2023, InvoCare has the following securities on issue:

- 144,060,733 ordinary shares on issue including 1,143,396 treasury shares (net shares of 142,917,337);
- 479,572 options on issue;
- 8,963 share rights on issue;
- 1,206,912 performance rights on issue; and
- 42,705 restricted shares on issue.

8.12.1 Ordinary Shareholders

As at 18 September 2023, InvoCare had 21,114 registered shareholders and 572 holders of marketable parcels (less than \$500 per parcel). The top 20 shareholders were primarily investment managers, nominees and custodians and accounted for 62.7% of InvoCare Shares. Retail investors (investors holding less than 5,000 shares) accounted for 89.3% of total shareholders and 17.5% of InvoCare Shares on issue.⁷⁸

InvoCare has received notices from the following substantial shareholders.

InvoCare Substantial Shareholders as at 18 September 2023

Substantial Shareholder	Date of notice	Number of shares	Percentage ¹
Blue Eternal Holdings Pte. Ltd., TPG Asia SF VIII Pte. Ltd., TPG Asia VIII Finance LP; TPG Asia VIII (B) BL, LP, TPG Asia VIII (B), LP, and TPG Asia VIII (A), LP ²	8 March 2023	27,623,729	19.175%
UBS Group AG and its related bodies corporate	26 April 2023	14,491,096	10.06%
Kuang Ming Investments Pte. Limited	2 June 2021	8,729,098	6.06%
Vanguard Group, Inc.	4 July 2023	7,223,842	5.01%

Source: ASX Announcements.

Notes:

1. Percentage of shares in which a relevant interest is held is based on the total issued capital of InvoCare at the time the substantial shareholder notice was provided.
2. This comprises a relevant interest in 14,381,667 ordinary shares, being InvoCare Shares that Blue Eternal is the registered holder of, and 13,242,062 ordinary shares pursuant to a total return swap between Blue Eternal Holdings Pte. Ltd. and UBS AG, Australian Branch. In addition, Blue Eternal Holdings Pte. Ltd. is also a party to a cash settled total return swap with Credit Suisse AG, Singapore Branch, which relates to 1,164,011 ordinary shares.

8.12.2 Equity incentives

InvoCare operates various incentive plans under which performance rights, options, share rights and restricted shares are granted to key employees and other senior executives. In respect of certain equity incentives, vesting is subject to certain performance and service criteria over a three-year period.

⁷⁸ Source: InvoCare management.



Appendix B Independent Expert's Report

continued



InvoCare has the following equity incentives on issue.

InvoCare Options and Performance Rights as at 18 September 2023

Date	Performance Period End	Exercise Price	Number Vested	Number unvested	Total
Options					
1 Jan 2016	-	12.1	237,991	-	237,991
1 Jan 2020	-	13.8	241,581	-	241,581
Total Options			479,572	-	479,572
Performance Rights					
<i>LTI Rights</i>					
1 Jan 2020	31 Dec 2022	-	37,258	-	37,258
1 Jan 2021	31 Dec 2023	-	-	284,224	284,224
1 Jan 2022	31 Dec 2024	-	-	300,754	300,754
1 Jan 2023	31 Dec 2025	-	-	250,927	250,927
<i>Retention Rights</i>					
1 Sep 2020	1 Sep 2022	-	80,729	-	80,729
1 Sep 2020	1 Sep 2023	-	-	16,147	16,147
<i>DESP Rights</i>					
1 Sep 2022	1 Sep 2024	-	-	78,819	78,819
<i>EPIS Rights</i>					
1 Jan 2023	31 Dec 2024	-	-	136,898	136,898
<i>DSTI Rights</i>					
1 Jan 2023	31 Dec 2023	-	-	21,156	21,156
Total Performance Rights			117,987	1,088,925	1,206,912
Share Rights					
1 Sep 2021	1 Sep 2024	-	-	8,963	8,963
Total Share Rights			-	8,963	8,963
Restricted Shares					
-	-	-	-	-	42,705
Restricted Shares			-	-	42,705

Source: InvoCare management.

Each option (after paying the option's exercise price) and performance right entitles holders to be allocated one InvoCare Share, subject to the satisfaction of certain conditions.

In accordance with the Scheme Implementation Deed, if the Scheme becomes effective, the InvoCare Board will determine that:

- any 'out of the money' options will be cancelled for nil consideration prior to the Scheme Record Date. Any vested and 'in the money' options will automatically be exercised prior to the Scheme Record Date and holders will receive a cash payment equivalent to the value of their vested options. The value will be the Cash Consideration less the exercise price of each vested option. The aggregate net cash payment for all vested and "in the money" Options will be no more than \$147,555;
- all vested (but unexercised) Performance Rights will automatically be exercised and vesting conditions on unvested Share Rights and Performance Rights will be waived, such that the rights will automatically be exercised prior to the Scheme Record Date (if not already exercised by their holders). In each case, Australian holders will receive one InvoCare Share for each vested right and holders domiciled outside Australia will receive a cash payment equivalent to the Cash Consideration. The maximum number of InvoCare Shares that will be allocated to participants domiciled in Australia from the InvoCare Employee LTI Trust established by a trust deed dated 27 July 2018 (as amended) (Share Trust) in connection with the treatment of Share Rights and Performance Rights outlined above is 1,130,292, of which 1,025,220 is in relation to the accelerated vesting of Share Rights and

Performance Rights. The aggregate net cash payment for all vested and unvested Share Rights and Performance Rights of participants domiciled outside of Australia will be no more than \$1,068,210; and

- all holding locks on the 42,705 Restricted Shares will be released prior to the Scheme Record Date such that holders will be eligible to participate in the Transaction.

The net impact is that InvoCare will pay no more than \$1,215,765 million in cash to equity incentive holders prior to the Scheme Record Date and treasury shares will be applied to the rights settled in InvoCare Shares such that the diluted number of Scheme Shares will be 144,060,733.

8.13 Share price performance

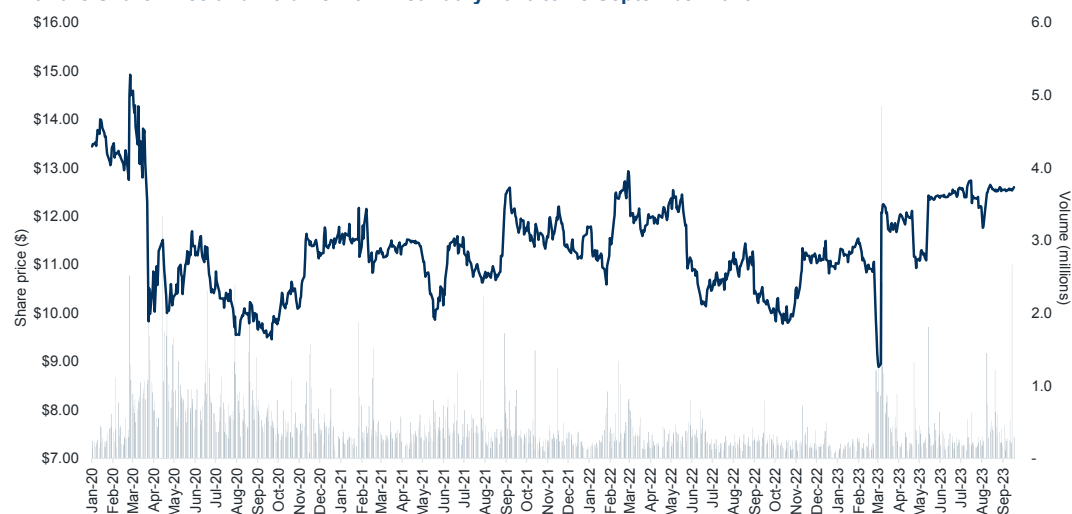
In assessing InvoCare’s share price performance, we have:

- analysed price and volume performance since 1 January 2020;
- compared InvoCare’s share price movement to the S&P/ASX 200 Index (**ASX 200 Index**), the S&P/ASX Small Ordinaries Index (**ASX Small Ordinaries Index**) and Propel;
- assessed the VWAP and trading liquidity of InvoCare shares for the period up to the announcement of the Initial Proposal on 7 March 2023.

8.13.1 Recent sharemarket trading

InvoCare’s share price performance and the volume of shares traded over the period from 2 January 2020 to 18 September 2023, is illustrated as follows.

InvoCare Share Price and Volume from 2 January 2020 to 18 September 2023



Source: S&P Capital IQ; Kroll analysis.

InvoCare’s share price initially performed strongly in early 2020, closing at a high of \$14.92 on 27 February 2020, supported by a positive share price reaction to the release of its FY19 full year results. However, the onset of the COVID-19 pandemic caused a sharp decline in the share price alongside the broader sharemarket. On 25 March 2020, InvoCare released a business update which noted that restrictions placed by governments on social gatherings had made it harder for the business to provide its services, resulting in a share price decline of 12.2% on the day, to a close of \$9.83.

From then until the release of its FY22 financial results on 27 February 2023, InvoCare’s share price has remained subdued, albeit experiencing significant volatility. During this time:

- on 14 April 2020, InvoCare announced an equity raising where it would undertake a \$150 million institutional placement at a price of \$10.40, representing a 7.8% discount to the last closing price and a \$50 million Share Purchase Plan at the lower of the placement price and a 2% discount to the 5-day VWAP of InvoCare shares up until or on 13 May 2020. InvoCare’s share price declined to close at



\$10.00 on 21 April 2020, before recovering and the Share Purchase Plan offer price was ultimately set at \$10.40;

- InvoCare's share price declined between June 2020 and September 2020, reflecting continued uncertainty regarding the impact of the COVID-19 pandemic. Whilst some attendance restrictions were lifted during the period, restrictions continued in Victoria and New Zealand⁷⁹ and death rates remained lower than historical averages in Australia;⁸⁰
- InvoCare's share price recovered between late September 2020 and January 2021, reflecting improved sentiment across the broader sharemarket and the progressive easing of COVID-19 pandemic restrictions;
- from the beginning of 2021 until April 2021, InvoCare's share price traded within a relatively narrow range of \$10.83 to \$12.17. InvoCare's share price declined in May, possibly due to the release of the CEO FY21 LTI Entitlements on 7 May 2021, which was perceived by the market as implying underwhelming growth expectations. InvoCare's share price bottomed at \$9.86 on 20 May 2021, before recovering to trade within a range of \$10.16 to \$11.59 in June 2021;
- InvoCare's share price rose sharply during August 2021, likely in anticipation of the 1H21 results announcement on 30 August 2021. The announcement showed improvements in financial performance, with operating EBITDA increasing 30.9% against the pcp. The results were positively received and by the close of trading, InvoCare's share price increased by 8.7% to reach \$12.15;
- on 28 February 2022, InvoCare released the FY21 financial results, which showed improved performance against FY20, with operating EBITDA increasing 22.3% against FY20. On the day of the announcement, InvoCare's share price increased 4.5%, reaching \$12.93 by the close of trading;
- from May 2022, InvoCare's share price generally declined until October 2022, alongside the broader sharemarket. Together with the broader sharemarket, InvoCare's share price rebounded from 20 October 2022, and between November 2022 and February 2023, traded within a relatively narrow range of \$10.31 to \$11.52; and
- InvoCare's share price declined in response to the release of its FY22 financial results on 27 February 2023, falling by 19.6% in the week following the announcement to close at \$8.89 on 3 March 2023. The market was likely concerned InvoCare's profit growth lagged market growth (InvoCare's operating EBITDA grew 8.5% against FY21, compared to a 10.7% increase in the death rate in Australia)⁸¹ partially due to a 14.2% increase in finished goods, consumables and funeral disbursements.

InvoCare Shares closed at \$8.95 on 6 March 2023, the last trading day prior to the announcement of the Initial Proposal, and rebounded following the announcement of the unsolicited Initial Proposal on 7 March 2023.

8.13.2 Relative performance

Performance relative to indices

InvoCare is a member of a number of indices including the S&P/ASX All Ordinaries Index (0.07% weighting), the S&P/ASX 200 Index (**ASX 200 Index**) (0.07% weighting), S&P/ASX 200 Consumer Discretionary Index (1.14% weighting) and the S&P/ASX Small Ordinaries Index (**ASX Small Ordinaries Index**) (0.50% weighting).⁸² The performance of InvoCare shares, relative to the ASX 200 Index and ASX Small Ordinaries Index (**the indices**) and the share price of Propel since 2 January 2020 is illustrated as follows.

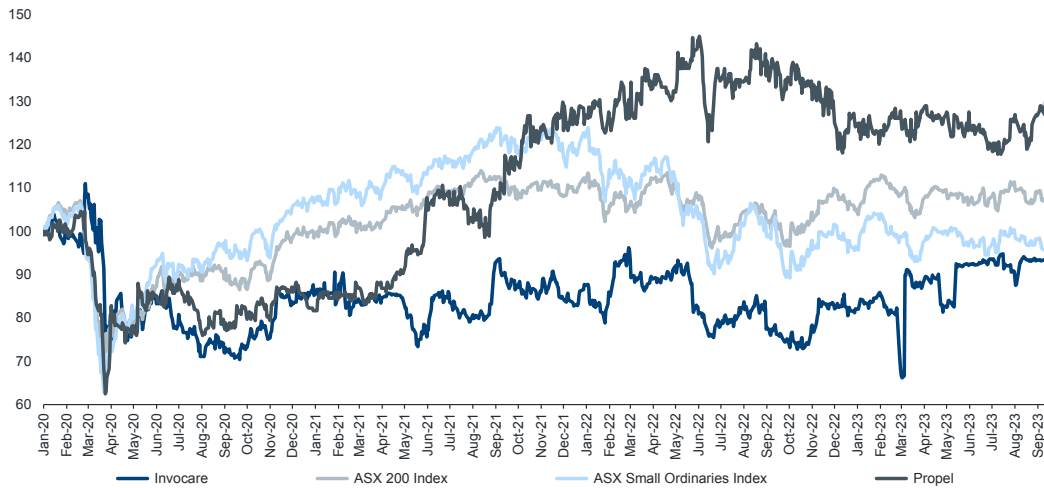
⁷⁹ InvoCare 1H20 Investor Presentation.

⁸⁰ "Provisional Mortality Statistics Jan – October 2020", Australian Bureau of Statistics.

⁸¹ "Provisional Mortality Statistics Jan – Dec 2022", Australian Bureau of Statistics.

⁸² S&P Capital IQ and Kroll analysis. Index weightings as at 18 September 2023.

InvoCare Share Price Performance Relative to Indices



Source: S&P Capital IQ; Kroll analysis.

From around June 2020, InvoCare and Propel underperformed the ASX 200 Index and ASX Small Ordinaries Index, which recovered strongly during this period, potentially reflecting the sensitivity of the funeral industry to COVID-19 pandemic social distancing restrictions (both in terms of lower death rates and lower funeral case average), as described in Section 8.9.1 of this report.

In March 2021, InvoCare’s share price began to diverge from that of Propel. From March 2021 until May 2022, InvoCare’s share price displayed significant volatility but ultimately failed to increase alongside both the indices and Propel. This disparity in performance likely reflects the positive market reception to Propel’s aggressive acquisition strategy, which has driven rapid funeral volumes growth of 24.3% between FY20 and FY22, compared to funeral volumes growth of 9.9% between FY20 and FY22 for InvoCare.

From May 2022 until the release of its FY23 results on 27 February 2023, InvoCare’s share price broadly tracked the indices, each outperforming Propel’s share price which declined by 11.3% over the period.⁸³

InvoCare’s share price declined sharply following the release of the FY22 financial results on 28 February 2023 and then subsequently increased as a consequence of the Initial Proposal.

8.13.3 Liquidity

An analysis of the volume of trading in InvoCare Shares, including the VWAP for various periods up to 6 March 2023, the last trading day before the announcement of the Initial Proposal, is set out as follows. Low and high prices refer to prices at the close of trading.

InvoCare Liquidity up to 6 March 2023

Period	Price (\$)			Cumulative value (\$ million)	Cumulative volume (million)	Percentage of issued capital
	Low	High	VWAP			
1 day	8.95	8.95	8.98	9.5	1.1	0.7%
1 week	8.89	11.06	9.34	68.3	7.3	5.2%
1 month	8.89	11.26	9.82	101.0	10.3	7.2%
3 months	8.89	11.54	10.54	226.7	21.5	15.0%
6 months	8.89	11.54	10.51	471.0	44.8	31.3%
12 months	8.89	12.54	10.91	950.0	87.1	61.2%

Source: IRESS; Kroll analysis.

In the 12 months to 6 March 2023, 61.2% of InvoCare shares were traded. This level of trading indicates that InvoCare shares are relatively liquid.

⁸³ Calculated based on Propel’s closing share prices on 31 May 2022 and 26 February 2023.



9 Valuation of InvoCare

9.1 Summary

Kroll has assessed the value of InvoCare's equity to be in the range of \$1,673.0 million to \$1,873.0 million, which corresponds with a value per InvoCare Share of \$11.61 to \$13.00 on a fully diluted basis.⁸⁴ Our range of assessed values reflects 100% ownership of InvoCare and, therefore, incorporates a control premium. As our valuation includes a control premium, our range of assessed values per share exceeds the price at which we expect InvoCare Shares would trade on the ASX in the absence of the Transaction.

The value of InvoCare's equity has been determined by estimating the fair value of InvoCare's operating business, together with consideration of non-operating assets and liabilities, net borrowings and non-controlling interests. The valuation is summarised as follows.

InvoCare Summary of Value (\$ millions)

	Section Reference	Valuation Range	
		Low	High
Value of InvoCare's operating business (100% control basis)¹	9.3 & 9.4	1,900.0	2,100.0
Non-operating assets / (liabilities) (net)	9.5	8.2	8.2
Enterprise value (100% control basis)		1,908.2	2,108.2
Adjusted net borrowings (including finance leases) ²	9.6	(235.2)	(235.2)
Value of equity to InvoCare Shareholders (100% control basis)		1,673.0	1,873.0
Number of InvoCare Shares outstanding – diluted (millions) ³	8.12	144.1	144.1
Value per InvoCare Share – diluted (control basis) (\$)		\$11.61	\$13.00

Source: Kroll analysis.

Notes:

1. DCF analysis includes cash outlays associated with right of use leases.
2. Right of use lease liabilities (refer to Section 8.10 of this report) are excluded from adjusted net borrowings as cash outlays associated with right of use leases are included in the DCF analysis.
3. Based on 144,060,733 InvoCare Shares on issue including 1,143,396 treasury shares which will be applied to satisfy performance rights (refer to Section 8.12.2 of this report).

In assessing the value of InvoCare's operating business, Kroll has adopted a DCF analysis as the primary methodology (refer to Section 9.3 of this report). The value derived from the DCF analysis has been cross-checked using a market approach (refer to Section 9.4).

Our valuation range of \$11.61 to \$13.00 per InvoCare Share reflects a premium over the closing price of InvoCare Shares on 6 March 2023, the last trading day prior to the announcement of the Initial Proposal, of between 29.7% and 45.3%, and a premium to the one-month VWAP in the range of 18.2% to 32.4%. This level of premium is consistent with the premiums observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances⁸⁵ and reflects:

- that our valuation of InvoCare includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. We note that synergies available to a pool of potential acquirers of InvoCare are expected to be limited as we consider that an acquirer is likely to be a financial buyer (refer to Section 9.2.3 of this report);
- that our value range attributes significant value to the initiatives under Phase 2 of the Strategic Plan; and
- the decline in the InvoCare share price following the release of the FY22 results on 27 February 2023, which results in a higher premium over the last closing price compared to trading over a longer time period.

⁸⁴ Based on 144,060,733 InvoCare Shares on issue including 1,143,396 treasury shares which will be applied to satisfy performance rights (refer to Section 8.12.2 of this report).

⁸⁵ Source: 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

In forming our view as to the value of InvoCare Shares, we have considered a range of factors including:

- growth opportunities identified under Phase 2 of InvoCare's Strategic Plan (refer to Section 8.3.3 of this report);
- InvoCare's leading positions in the Australian, New Zealand and Singapore markets, vertically integrated business, its multi-brand strategy, diversified geographical footprint and ability to leverage a large, national platform;
- strategic value associated with InvoCare's memorial parks and Singapore parlour licence, and InvoCare's leverage to the high growth Pet Cremations market;
- InvoCare's significant maintenance, platform and growth capital expenditure;
- the anticipated return to long-term growth trends in case numbers in FY23 and the potential recovery in InvoCare's market share following a decline in FY22;
- favourable demographic trends in the markets in which InvoCare operates, with ageing populations and population growth; and
- synergies available to a pool of potential acquirers.

Special Dividend

The total cash consideration of \$12.70 includes the Special Dividend, being a fully-franked dividend of \$0.60 for each InvoCare Share held as at the Special Dividend Record Date, which if declared and paid will result in franking credits of up to approximately \$0.257 per InvoCare Share (provided a favourable class ruling is obtained from the ATO).

In Kroll's opinion, it is not appropriate for the assessment of the Scheme to either factor into the value of InvoCare the value of accumulated franking credits or include in the value of the consideration the value of the credits attached to the Special Dividend since the value of those credits to each shareholder will vary depending on their individual circumstances. Nevertheless, it needs to be recognised that, where part of a takeover offer comprises a franked dividend, some shareholders may realise additional value from the franking credits (i.e. they are better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and been received as a capital gain).

9.2 Approach

9.2.1 Overview

Our valuation of InvoCare has been prepared on the basis of 'fair value'. The generally accepted definition of fair value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length. Fair value excludes 'special value', which is the value over and above the value that a particular buyer, which can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

In the absence of direct market evidence, fair value is commonly derived by applying one or more of the following valuation approaches:

- income approach;
- the market approach; or
- cost approach.

These approaches are discussed in further detail in Appendix 4. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the asset or business and the actual practice adopted by purchasers of the type of asset or business involved. A secondary methodology is often adopted as a cross-check to ensure the reasonableness of the outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, the market approach and income approach are commonly used as they reflect 'going concern' values, which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradeable or asset rich (e.g. real estate investment trusts), a cost approach is typically adopted as there tends to be minimal goodwill, if any.



9.2.2 Selection of methodology

A discussion of the rationale for the selection of the valuation methodologies follows.

Income approach

Under an income approach, the value of an asset or business is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history, there is a variable pattern of cash flow, or the asset or business has a finite life.

The most common application of the income approach is the DCF methodology. This methodology allows for cash flows to reflect a range of risks and opportunities and also allows for a range of scenarios to be modelled.

A DCF methodology has been adopted as our primary methodology for valuing InvoCare's operating business. This methodology allows for cash flows to reflect the return to the long term growth trajectory for case numbers, the benefit of the initiatives under Phase 2 of the Strategic Plan and InvoCare's significant IT and capital expenditure requirements.

A DCF methodology can be applied to cash flows to the whole asset or business or cash flows to equity. Cash flow to the whole asset or business is most commonly used because an asset or business should theoretically have a single value that is independent of how it is financed or whether income is paid as dividends or reinvested.

Utilising a DCF methodology requires estimation of cash flows for a number of years and discounting those cash flows back to present value. The DCF analysis was based on a long-term financial model developed by Kroll on the basis of the Strategic Plan Model (to 31 December 2027) provided by InvoCare. Kroll has undertaken various enquiries in relation to the Strategic Plan Model, including holding discussions with InvoCare management regarding the key assumptions underlying the Strategic Plan Model and reviewing the key assumptions in the context of current economic and industry forecasts, financial and other conditions (e.g. regulatory, contractual).

Following our enquiries and independent analysis, Kroll is of the view that the forward looking information has been prepared on a reasonable basis and is, therefore, suitable as a basis for our valuation. In making this assessment, we have taken the following into account:

- the Strategic Plan Model is based on the InvoCare five year Strategic Plan which was prepared by InvoCare management in September 2022 and updated to reflect the FY23 Budget, which was prepared in November/December 2022 and is broadly in line with 1H23 result, albeit slightly impacted by the lower volumes discussed in Section 8.9.2;
- the Strategic Plan Model and FY23 Budget were presented to and signed off by the InvoCare Board;
- the Strategic Plan Model is used in the day-to-day operations of InvoCare;
- forecast case numbers in Australia are based on information prepared by the ABS and updated to reflect the impact of the COVID-19 pandemic and InvoCare management's judgement;
- market share remains flat from FY23 onwards, prior to taking into account the benefit of the strategic growth initiatives;
- growth in case average (\$ per case) is consistent with historical trends; and
- pre-paid funerals represented 14.1% of at need funerals in FY22.

There are, however, risks in relation to certain assumptions underlying the Strategic Plan Model which are outside management's control (e.g. case numbers) which can have a material impact on value. Furthermore, there is a risk that not all of the anticipated benefits of the initiatives under Phase 2 of the Strategic Plan will be achieved, or that they are delayed, or implementation costs are greater than anticipated. On the other hand, there is a potential to achieve further benefits from the strategies that are under-development. Consequently, Kroll has considered various scenarios to reflect the impact on value outcomes of these risks and opportunities.



Kroll has updated the model to reflect our judgement on certain matters. The Strategic Plan Model includes the full benefit of both strategies that are well-developed and those that are under-development whereas the base case of our DCF analysis only includes the full benefits of the well-developed strategies and does not include the full benefit of the strategies that are under-development, on the basis that an acquirer would not pay full value for initiatives that are not yet approved and which it would have to implement itself. We have also updated the model to reflect current exchange rate forecasts and inflation expectations.

The cash flows within our CF analysis do not constitute a forecast or projection by Kroll of the future performance of InvoCare, and no assurance or warranty is provided that future performance will align with the assumptions adopted in the model. These assumptions do not, and do not purport to, represent the range of potential outcomes for InvoCare's operating business.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available information. Application of this approach involves the capitalisation of the cash flows or earnings (or revenue) of a business at a multiple that reflects both the risks of the business and the future growth prospects of the income it generates. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (market comparable methodology);
- there are frequent and/or observable transactions in comparable assets or businesses (comparable transactions methodology); and
- there is substantial operating history and a consistent earnings trend.

InvoCare has a substantial operating history, however, there are relatively few publicly traded deathcare companies and transactions involving deathcare companies from which to calculate meaningful multiples. Consequently, a market approach has been used as a cross-check rather than as the primary approach.

The earnings bases to which a multiple is commonly applied include revenue, EBITDA, EBIT, net profit after tax and book values. The choice will typically depend on the industry and characteristics of the subject asset or business. We note that EBITDA or an equivalent measure reflecting the underlying EBITDA of the company is commonly used in valuing deathcare companies. Consequently, we have utilised EBITDA multiples in our market approach.

In considering the appropriate earnings period of the asset or business being valued from which to calculate multiples, factors to take into account include whether the historical performance of the asset or business reflects the expected level of future operating performance, such as when significant changes occur in the operating environment such as the COVID-19 pandemic, or the underlying business is cyclical. Kroll has considered the impact of the COVID-19 pandemic on InvoCare and placed greater weight on FY23 earnings, which is expected to reflect a return to long term average case numbers, than historical earnings.

InvoCare has not provided specific earnings guidance at an EBITDA level. Accordingly, the implied forward multiples used in our market approach cross-check have been calculated based on broker consensus forecasts. Kroll has compared the broker consensus forecast EBITDA for InvoCare in FY23 to FY25 with the forecasts in the Strategic Plan Model.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them.

Cost approach

A cost based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). Such an approach does not capture growth potential or internally generated intangible value associated with InvoCare and consequently, has not been adopted.



9.2.3 Control premium

Consistent with the requirements of RG 111, we have assumed 100% ownership in valuing InvoCare and, therefore, our valuation is inclusive of a control premium. Successful transactions are commonly completed with an implied acquisition premium to the pre-trading equity price of the target in the order of 25% to 40% depending on the individual circumstances.⁸⁶ In considering the evidence provided by actual transactions, it is important to recognise that the observed premium for control is an outcome of the valuation process, not a determinant of value, and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including:

- the acquirer's capacity to realise full control over the strategy and cash flows of the target entity;
- the magnitude of synergies available to all acquirers, for example, the rationalisation of costs related to duplicated functions, or the removal of costs associated with the target being a listed entity;
- uncertainties related to the timing of full realisation of target synergies;
- the expected costs to migrate and integrate the business;
- the nature of the bidder (i.e. whether the acquirer is a financial investor or a trade participant);
- synergistic or special value that may be unique to a particular acquirer;
- the interest acquired with consideration to the bidder's pre-existing shareholding in the target;
- the prevailing conditions of the economy and capital markets at the time of the transaction with consideration to the position in the overall market cycle;
- desire (or anxiety) for the acquirer to complete the transaction;
- whether the acquisition is competitive; and
- the extent the target company's share price already reflects a degree of takeover speculation.

The premium that is ultimately applied must have regard to the circumstances of each case. In some situations, it may be appropriate to apply no premium for control, for example, there are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering. Accordingly, an assessment as to an appropriate control premium, if any, is essentially a matter of judgement.

The multiples derived for listed comparable companies generally reflect prices at which portfolio interests are traded and consequently, they do not include a control premium. They may also be impacted by the level of liquidity in trading of the particular security. Accordingly, when valuing a business as a whole (i.e. on a 100% basis), it is appropriate to also reference the multiples achieved in recent transactions, where a control premium and breadth of purchaser interest are more fully reflected.

Globally, there are relatively few deathcare businesses that are of sufficient scale to be able to acquire InvoCare and which have existing operations in Asia that would enable them to generate substantial synergies. In Australia, the only other listed deathcare business is not of sufficient scale to acquire InvoCare and may be prevented from acquiring InvoCare due to competition issues. Consequently, Kroll considers that the most likely acquirer of InvoCare is a financial buyer. It is likely that a financial buyer could only save public company costs and, potentially, minor other costs (e.g. a portion of audit fees). These costs are estimated at \$2.9 million per annum. In undertaking the primary DCF analysis, synergies have been reflected in the cash flow forecasts. In the market approach, synergies are reflected in the control multiple.

9.3 Discounted cash flow analysis

As discussed, the DCF analysis was based on a long-term financial model developed by Kroll on the basis of a Strategic Plan Model provided by InvoCare. The analysis projects nominal, unlevered, after tax cash flows to 31 December 2027, a period of 4.5 years. Unlevered, after tax cash flows are discounted by a weighted average cost of capital (**WACC**) in the range of 7.0% to 7.5% (refer to Appendix 5). A terminal value is calculated based on a Gordon Growth Model⁸⁷ and a perpetual growth rate of 3.0%, taking into consideration the long term IHS Markit (Real) GDP forecasts, the RBA's inflation target and deathcare industry growth forecasts. The midpoint terminal value is equivalent to a multiple of 9.8 times FY27 EBITDA.

⁸⁶ Refer to footnote 18.

⁸⁷ Final year cash flow multiplied by $(1 + \text{perpetual growth rate})$ divided by $(\text{discount rate} - \text{perpetual growth rate})$.

9.3.1 Base case assumptions

Kroll's DCF analysis projects cash flows on a 'business as usual' basis assuming a flat market share from FY23, then adds the potential cash flow uplift from certain of the strategic growth initiatives under Phase 2 of the Strategic Plan. The initiatives include:

- **Funerals Australia:** Project Harmony, improvement of digital and phone channels for customers, acquisitions and optimisation of existing facilities and locations. These growth opportunities aim to reduce InvoCare's cost to serve, increase productivity and grow InvoCare's market share within Australia particularly under InvoCare's Simplicity brand;
- **Cemeteries & Crematoria:** the 'Park as a destination' initiative, employee resource planning efficiencies and InvoCare's investment in Parting Stone. These growth opportunities aim to ensure more accessible cemetery parks across Australia and expand product offerings for customers;
- **Pet Cremations:** acquisitions and investments in marketing and customer conversion. These strategies aim to grow InvoCare's veterinary partnerships and continue to leverage acquisitions in parts of Australia that InvoCare does not currently have market share; and
- **New Zealand and Singapore:** location upgrades and other strategies. InvoCare's international strategies include location optimisation and targeted investments in growth locations.

Strategic growth initiatives have been classified into two categories:

- **well-developed:** initiatives either have an approved business case or are in the process of approval (aligned on the strategic direction, high degree of certainty for value drivers, fine-tuning cost-benefit models (if not already approved)); and
- **under-development** initiatives are those that have passed the concept stage and working towards a business case (reinforcing evidence for the strategic direction, active commitment of time for developing the business case, working on last iterations of cost-benefit models).

Kroll's Base Case (Scenario A) includes all of the well-developed strategies and applies a 50% weighting to the strategic growth initiatives that are under-development on the basis that an acquirer would not pay full value for initiatives that are not yet approved and which it would have to implement itself.

Cash flows are modelled by reporting segment. The key assumptions underlying the Base Case (Scenario A) are set out in Appendix 6 and are summarised below:

- **case numbers:** calculated as the product of:
 - **death rate:** based on industry forecasts, adjusted for InvoCare's judgement and the impact of the COVID-19 pandemic where applicable;
 - **market share:** assumed flat from FY23, before reflecting an uplift from strategic initiatives;
- **case average:** generally modelled as modest growth on historical case average figures for each operating segment, typically at rates slightly above the RBA's target inflation band of 2% to 3%, which is consistent with historical experience;
- **gross margin:** generally, cost of sales is a fixed portion of net sales from FY23, which is in line with historical experience (pre COVID-19 pandemic);
- **operating expenses:** employee costs and motor vehicles have been modelled as variable costs; other costs are fixed and increase by inflation. Employee costs are driven by number of funerals per full-time equivalent (FTE) employees, multiplied by the number of funerals, and an average cost per FTE grown at rates in line with inflation. Motor vehicle costs increase from 1.2% to 1.4% of net sales to 1.7% in FY23. Other operating expenses either grow at rates in line with historical trends for each operating expense category (facilities, advertising & promotion, technology and other expenses) or are derived from specific case growth assumptions within each InvoCare business unit. Certain strategic initiatives reduce operating expenses, such as efficiencies generated from the Cemeteries & Crematoria business' improved employee resource planning system;
- **EBITDA margin:** EBITDA margin (calculated based on net sales) improves from 25.7% in FY23 to 32.3% in FY27; and
- **capital expenditure:** capital expenditure is grouped into recurring, platform and growth categories across the operating segments. Additional capital expenditure is modelled for the strategic initiatives.

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Overall capital expenditure increases significantly in FY23 and FY24, driven by the strategic initiatives, before declining in FY26 and FY27 to capital expenditure levels comparable to historical levels.

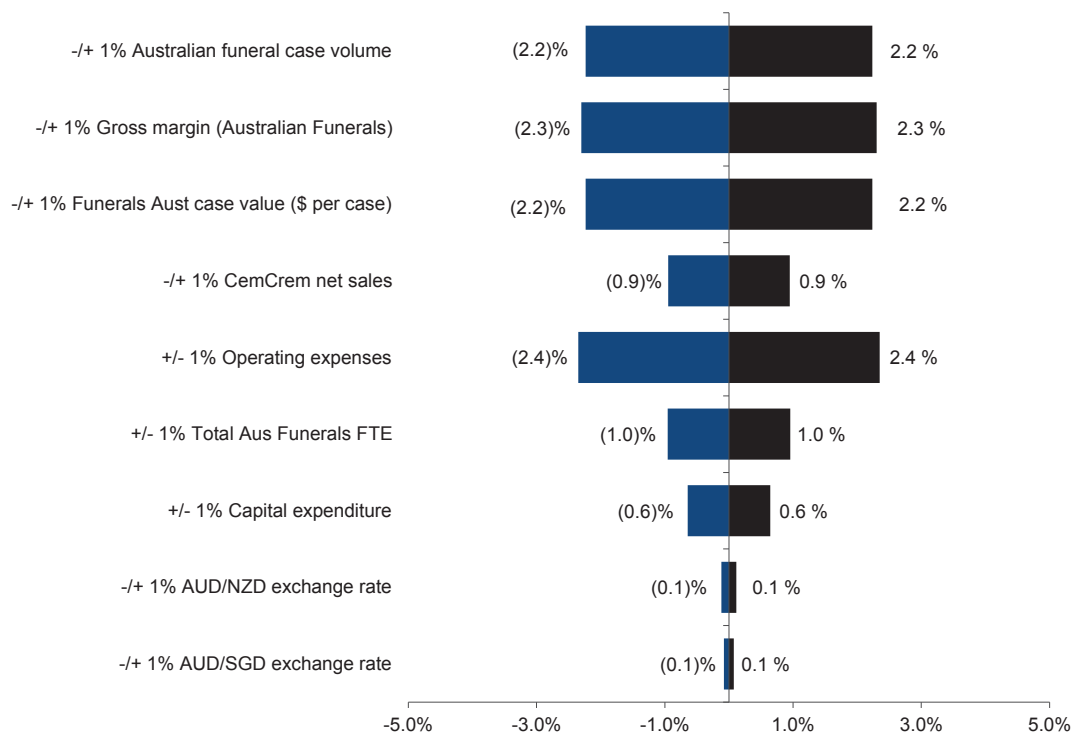
9.3.2 Sensitivity analysis

Scenario A produces a net present value (**value outcome**) for InvoCare's operating business in the range of \$1,856 million to \$2,101 million. Kroll has analysed the Scenario A to assess the sensitivity of the value outcomes (based on the midpoint) to changes in the following variables:

- Australian funeral case volume: -/+ 1% per annum;
- Australian funeral gross margin (%): -/+ 1% per annum;
- Australian funeral case value (\$ per case): -/+ 1% per annum;
- CemCrem net sales: -/+ 1% per annum;
- Operating expenses: +/- 1% per annum;
- Australian funeral FTE headcount: +/- 1% per annum;
- Capital expenditure: +/- 1% per annum;
- A\$/NZ\$ exchange rate: -/+ 1% per annum; and
- A\$/S\$ exchange rate: -/+ 1% per annum.

The output of the sensitivity analysis is summarised as follows. Kroll conducted additional sensitivity analysis across other value drivers (e.g. Pet Cremation, New Zealand and Singapore business units), however, selected the above listed sensitivities as the most instructive for valuation purposes.

Sensitivity Analysis



Source: Kroll analysis.

The chart above highlights the sensitivity of value outcomes to selected movements in a range of assumptions when they are moved individually and is, therefore, useful to understand the sensitivity in value outcomes but is not necessarily representative of the range of potential value outcomes for InvoCare.

Furthermore, the sensitivity analysis does not take into consideration the interrelationship between key variables (for example, the potential for operating expense increases to be passed on to customers as higher pricing is not reflected). The analysis indicates that:

- **Australian funerals case volume and case value:** value outcomes are highly sensitive to Australian funerals case volume and case value, the key drivers of revenue, reflecting the concentration of revenues from this operating segment;
- **Australian funeral gross margin:** movements in Australian funeral gross margins have a similar impact of value outcomes to movements in Australian funerals case volume and case value;
- **operating expenses:** value is sensitive to operating expenses, particularly Australian funeral personnel expenses, as seen by the impact of the changes to Australian funerals FTE numbers;
- **capital expenditure:** value outcomes are moderately sensitive to changes in capital expenditure when assessed in aggregate. The sensitivity analysis separates recurring capital expenditure from platform and growth capital expenditure; and
- **exchange rates:** value is not particularly sensitive to exchange rates since the contribution to earnings of the New Zealand and Singapore operations is not substantial.

The sensitivity analysis does not consider the extent to which management is able to react to changes in external factors (e.g. changing sales mix to react to changes in prices in a particular market, impacts of lower gross margins on pricing and the impact of capital expenditure on revenues, cost savings and operational leverage). InvoCare's management does have the ability to react to changing input costs in pricing for at-need Australian funeral sales, however, pre-need funeral sales are contractually fixed.

9.3.3 Scenario analysis

There is risk associated with achieving InvoCare's strategic growth initiatives and, as demonstrated in the sensitivity analysis, changes in operating assumptions related to Australian Funerals have a significant impact on value. This results in there being a wide range of potential outcomes for InvoCare. Kroll has developed a number of scenarios which reflect movements in case numbers across the segments and provide analysis of the risks and opportunities associated with the strategic growth initiatives as well as margin improvement. We have, however, limited our scenarios to those we consider to be plausible based on the evidence available, as set out in the following:

- **case numbers:** case numbers within each segment are a significant driver of earnings and could be higher or lower than those forecast as a result of a higher or lower death rate or higher or lower market share. Kroll has assumed 2% as a reasonable scenario deviation given that 2% was the average absolute percentage deviation of excess mortality estimates for doctor certified deaths by the Australian Bureau of Statistics from 2016 to 2021.⁸⁸
 - Scenario B assumes case numbers are 2% higher in all years; and
 - Scenario C assumes case numbers are 2% lower in all years;
- **strategic growth initiatives that are under-development:** Scenario A weights the initiatives that are under-development by 50% as, arguably, an acquirer would not attribute full value to initiatives that are not yet approved and which it would have to implement itself. On the other hand, an acquirer may attribute a higher weighting to these initiatives.
 - Scenario D applies a 75% weighting to initiatives that are under-development; and
 - Scenario E applies a 25% weighting to initiatives that are under-development;
- **well-developed strategic growth initiatives:** there is a risk that certain of the well-developed initiatives that are not yet committed will not be approved/contracted, the benefits of these initiatives will not be fully achieved or will be delayed, or that the implementation costs will be greater than expected. Potentially, an acquirer would take these risks into consideration.
 - Scenario F risk weighs the benefits of the well-developed initiatives by 75% and applies a 25% weighting to initiatives that are under-development;

⁸⁸ Australian Bureau of Statistics. "Measuring Australia's excess mortality during the COVID-19 pandemic" 30 March 2022.



- **margin improvement:** InvoCare's EBITDA margin (calculated based on net sales) improves from 25.7% in FY23 to 32.3% in FY27 under Scenario A. There is a risk that InvoCare will not be able to improve margins beyond historical performance, for example, as a result of a decline in gross margin or higher than anticipated employee costs.
 - Scenario G assumes EBITDA margins remains flat from FY25.

No scenarios have been run in relation to Australian Funerals case value or gross margin, as the impact of this is similar to that of changes in case numbers and accordingly, is represented in Scenarios B and C.

These scenarios are summarised as follows.

InvoCare Scenario Summary

Scenario Summary	
Scenario A	Assumptions as set out in Section 9.3.1 of this report. 100% weighting is attributed to well-developed initiatives and 50% weighting is attributed to initiatives that are under-development
Scenario B	Scenario A, except case numbers are 2% higher in all years
Scenario C	Scenario A, except case numbers are 2% lower in all years
Scenario D	Scenario A, except that a 75% weighting is attributed to the initiatives that are under-development
Scenario E	Scenario A, except that a 25% weighting is attributed to initiatives that are under-development
Scenario F	Scenario E, except that a 75% weighting is attributed to well-developed initiatives
Scenario G	Scenario A, except that EBITDA margin remains flat from FY25

Source: Kroll Analysis.

The output of the DCF analysis for a range of discount rates is summarised as follows.

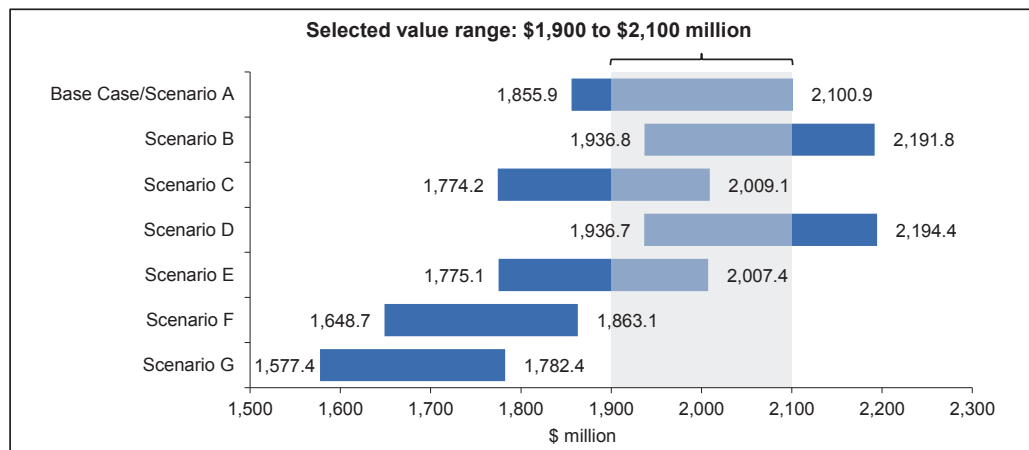
InvoCare Scenario Analysis (\$ million)

Scenario	Discount Rate				
	7.75%	7.50%	7.25%	7.00%	6.75%
Scenario A	1,753	1,856	1,971	2,101	2,248
Scenario B	1,829	1,937	2,057	2,192	2,345
Scenario C	1,675	1,774	1,885	2,009	2,150
Scenario D	1,828	1,937	2,058	2,194	2,349
Scenario E	1,677	1,775	1,884	2,007	2,147
Scenario F	1,558	1,649	1,750	1,863	1,992
Scenario G	1,491	1,577	1,674	1,782	1,905

Source: Kroll analysis.

The range of values for each scenario (based on our selected discount rate range of 7.0% to 7.5%) is illustrated in the following chart.

InvoCare Scenario Analysis



Source: Kroll analysis.



Kroll has selected a value for InvoCare's operating business in the range of \$1,900 million to \$2,100 million. This range overlaps with the outcomes for Scenarios A to E. In selecting this value range, we consider that InvoCare faces greater opportunities through the completion of the strategic initiatives than downside risks. As such little weight has been placed on Scenarios F and G. In determining our value range for InvoCare's operating business we make the following observations in relation to the results of our scenario analysis.

Forecasting death rates is complex and actual death rates may be higher or lower than ABS' long-term projections due to future uncertain events such as the COVID-19 pandemic and a more severe or milder than anticipated flu season. Scenario B reflects base case volumes that are 2% higher than forecast in each year while Scenario C reflects base case volumes that are 2% lower than forecast in each year. Kroll does not consider that either the higher or lower case numbers is more or less likely.

Scenario A applies a 50% weighting to the strategic growth initiatives that are currently under-development since an acquirer is unlikely to attribute full value to these. Scenario D attributes a 75% weighting to these initiatives, while scenario E attributes a 25% weighting.

Scenario A attributes full value to initiatives that have either been board approved or have undergone significant scoping. There is a risk that not all of the well-developed strategic initiatives will be successfully implemented in line with forecasts and on time, or that implementation costs are higher than anticipated. Scenario F reflects this uncertainty by weighting the well-developed initiatives by 75% and the under-development initiatives by 25%.

Under Scenario A, EBITDA margins increase from 25.7% in FY23 to 32.3% in FY27. There is a risk that InvoCare is not able to improve margins as a result, for example, of lower than anticipated gross margins or higher than anticipated inflation or labour costs. Scenario G illustrates the potential value outcome if EBITDA margin remains flat from FY25.

9.4 Market approach cross-check

9.4.1 Overview

The multiples implied by our selected value range have been compared to multiples of EBITDA for transactions involving deathcare companies and publicly traded deathcare companies. These multiples are summarised below and are set out in further detail in Appendix 7.

9.4.2 InvoCare implied EBITDA multiples

The value of InvoCare's operating business⁸⁹ implies the following multiples of adjusted operating EBITDA:

InvoCare Implied EBITDA Multiples (times)

	EBITDA (\$ millions)	Low	High
Value of InvoCare's operating business (\$ millions)¹		2,066.8	2,266.8
FY22 operating EBITDA (pre-AASB 15 transition benefit unwind) ²	122.6	16.9x	18.5x
FY23 broker consensus EBITDA (pre-AASB 15 transition benefit unwind) ³	130.5	15.8x	17.4x
FY24 broker consensus EBITDA	149.0	13.9x	15.2x
FY25 broker consensus EBITDA	165.2	12.5x	13.7x

Source: Kroll analysis.

Notes:

1. Calculated as the value of InvoCare's operating business derived from a DCF analysis (which includes cash outlays associated with right of use leases) of \$1.9 billion to \$2.1 billion (refer to Section 9.3.3 of this report) plus lease liabilities as at 30 June 2023 of \$166.8 million (refer to Section 8.10 of this report). Lease liabilities are added back as broker forecasts and comparable company and transaction multiples are on post AASB 16 basis;
2. Operating EBITDA of \$136.1 million for FY22 on a post AASB 16 basis, less \$13.5 million AASB 15 transition benefit unwind (Section 8.9.1).
3. Broker consensus EBITDA of \$132.0 million for FY23 on a post AASB 16 basis less \$1.5 million AASB 15 transition benefit unwind (Section 8.9.3).

⁸⁹ Calculated as the value of InvoCare's operating business derived from the DCF analysis (which includes cash outlays associated with operating leases) of \$1.9 billion to \$2.1 billion (refer to Section 9.3.3 of this report) plus right of use lease liabilities as at 30 June 2023 of \$166.8 million (refer to Section 8.10 of this report). Lease liabilities are added back as broker forecasts and comparable company and transaction multiples are on post AASB 16 basis.

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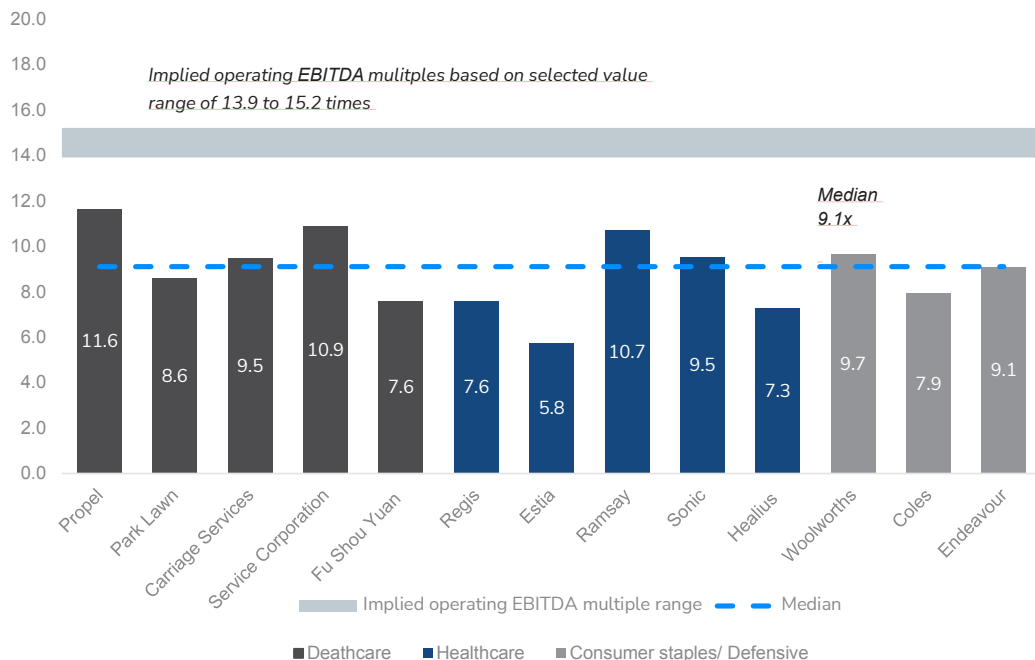
The implied operating EBITDA multiples for InvoCare are significantly above the trading multiples for deathcare companies and are consistent with and above multiples paid in recent transactions involving deathcare and healthcare companies. These multiples are reasonable since:

- the multiples for InvoCare include a premium for control and reflect synergies available to a pool of potential acquirers whereas multiples for listed deathcare companies reflect trading in minority interests;
- Kroll's valuation reflects the impact of the well-developed strategic initiatives under the Strategic Plan and a portion of the initiatives that are under-development, whereas broker consensus forecasts appear to include fewer benefits from these initiatives, which results in higher multiples;
- InvoCare's leading positions in the Australian, New Zealand and Singapore markets, vertically integrated business, its multi-brand strategy, diversified geographical footprint and ability to leverage a large, national platform;
- the strategic value associated with InvoCare's Memorial Parks and Singapore parlour licence, and InvoCare's leverage to the high growth Pet Cremations market;
- InvoCare's significant maintenance, platform and growth capital expenditure;
- the anticipated return to long-term growth trends in case numbers in FY23 and potential recovery in InvoCare's market share following a decline in FY22; and
- favourable demographic trends in the markets in which InvoCare operates, with ageing populations and population growth.

9.4.3 Sharemarket evidence

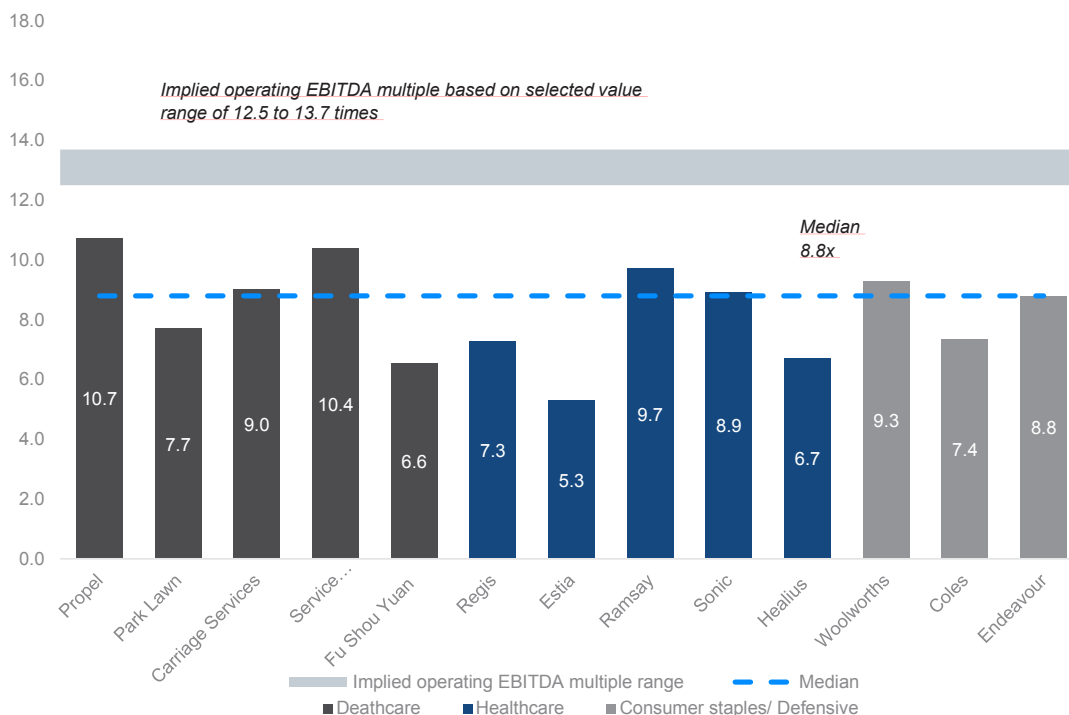
The following charts set out the implied first and second forecast year EBITDA multiples for InvoCare and a range of listed companies as at 18 September 2023.

Sharemarket Evidence – First Forecast Year EBITDA Multiples



Source: Capital IQ, Kroll analysis.

Sharemarket Evidence – Second Forecast Year EBITDA Multiples



Source: Capital IQ, Kroll analysis.

We note the following in relation to the listed company multiples:

- sharemarket prices are as at 18 September 2023 for all companies except Estia Healthcare Limited (**Estia**). Estia's share price is as at 21 March 2023, the last unaffected trading day prior to media speculation in relation to a potential takeover from Bain Capital, LP;
- the multiples are based on sharemarket prices and do not include a control premium;
- the listed global deathcare companies are the most comparable to InvoCare. They are trading at multiples in the range of 7.6 to 11.6 times first forecast year EBITDA and 6.6 to 10.7 times second forecast year EBITDA;
- Propel Funeral Partners Limited (**Propel**) is the most comparable listed company as it also operates in Australia. It is trading at relatively high multiples of 11.6 and 10.7 times first and second forecast year EBITDA. It has a stronger growth profile (in the first three forecast years, brokers expect its EBITDA is expected to increase at a CAGR of 12.7% compared to InvoCare's 5.9%), potentially reflecting an expectation of a continued strong acquisition pipeline, suggesting a lower multiple is appropriate for InvoCare (before taking into consideration a control premium). On the other hand, Propel is smaller than InvoCare (it has a market capitalisation of \$519.0 million);
- healthcare companies have substantially lower margins (median first- and second-year forecast EBITDA margins of 13.2% and 13.8%) than deathcare companies (median deathcare first- and second- year forecast EBITDA margins of 29.7% and 30.5%);
- ASX listed healthcare companies are less comparable than the deathcare equivalents. Healthcare is largely driven by regulations and government funding. Medicare covers some costs associated with these healthcare services and similarly wages for healthcare staff are determined by regulation;
- healthcare companies were adversely impacted by the COVID-19 pandemic through increases in costs. Government grants were provided for a portion of direct outbreak costs however prevention costs were not eligible to be covered. Underperformance in FY22 can largely be attributed these costs and the timing of these grants;
- COVID-19 has also contributed to staff shortages across the healthcare sector which were similarly felt across the deathcare sector; and

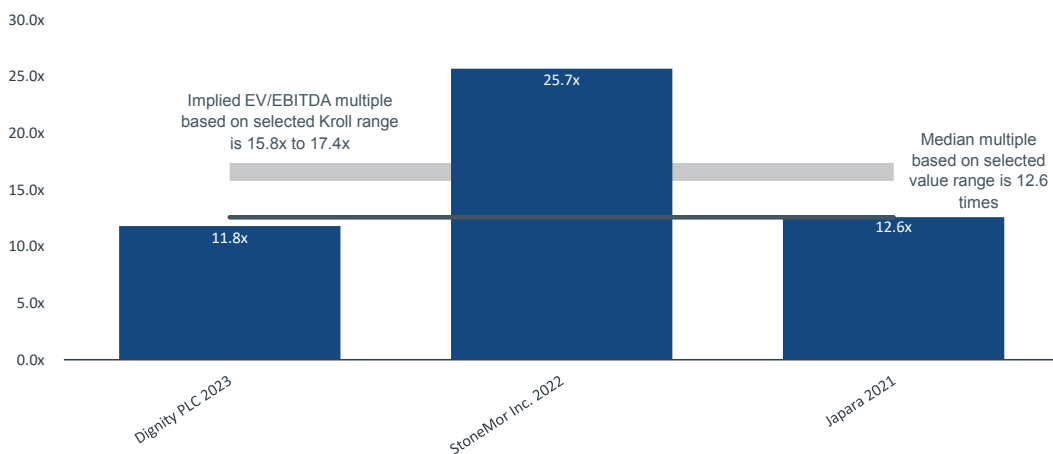
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- the consumer staples companies are not comparable in size to InvoCare, with these companies having market capitalisations ranging from A\$9.8 billion to A\$45.4 million. They have similar multiples to the other comparables mainly due to their larger size however they have a lower growth profile also, with median forecast second- and third-year EBITDA growth ranging from 4.0% to 4.3% and lower margins, with median first- and second- year forecast EBITDA margins of 8.9% and 8.9%;

9.4.4 Transaction evidence

The following charts set out the implied next twelve month EBITDA multiples for InvoCare and the comparable transactions.

Forecast Transaction Multiples



Source: Capital IQ, MergerMarket, Company Announcements, Kroll analysis.

Notes:

- EBITDA multiples for Dignity, StoneMor and Japara are presented on a next twelve month (forecast) EBITDA basis.
- The implied multiple range for InvoCare of 15.8 to 17.4 times FY23 EBITDA is calculated based on the broker consensus.

We note the following in relation to the transaction multiples:

- there are very few recent transactions involving deathcare companies. The multiples for those transactions are in the range of 11.8 to 25.7 times first forecast year EBITDA (see Appendix 7 for full comparable transaction set);
- the recent takeover of Dignity PLC (**Dignity**) by an investor consortium is the most relevant transaction for InvoCare, completing in May 2023 at an implied forward multiple of 11.8 times broker consensus EBITDA and an implied multiple of 17.0 times historical EBITDA. The transaction multiple is elevated as the transaction occurred at a time when the business was impacted by the COVID-19 pandemic and ongoing business strategy transformation with management expecting gradual improved financial performance in 2023;⁹⁰
- the merger of StoneMor Inc. (**StoneMor**) and Axar Capital Management LP (**Axar Capital**) occurred at a multiple of 25.7x first forecast year EBITDA and 15.2 times second forecast year EBITDA. The relatively high multiple reflects the anticipated strong EBITDA growth (a CAGR of 40.4% from FY+1 to FY+3) following a period of weak financial performance. In addition, the multiple may be impacted as Axar Capital already owned approximately 75% of the outstanding StoneMor equity prior to the transaction; and
- the acquisition of Japara Healthcare Limited (**Japara**) by Calvary Bruce Private Hospital Limited (**Calvary Bruce**) is the only comparable Australian transaction, occurring in 2021 via a scheme of arrangement. The transaction occurred at a multiple of 12.6 times first forecast year EBITDA. The multiple reflected a competitive bidding process where Calvary Bruce submitted multiple bids in order to out-bid Bolton Clarke Group. We consider this transaction to be of limited relevance to InvoCare

⁹⁰ Dignity Annual Report and Accounts 2022.



due to the low level of comparability between Japara's aged care business operations and InvoCare's deathcare operations.

9.5 Non-operating assets

InvoCare has certain non-operating assets that are not reflected in operating cash flows of the business. These assets have been valued as an asset of \$8.2 million and have been added to the value of InvoCare's operating business.

InvoCare Non-operating Assets

	Low	High
9.6% interest in Memories	4.1	4.1
Parting Stone joint venture	1.9	1.9
Other non-operating assets	2.3	2.3
Total non-operating assets	8.2	8.2

Source: InvoCare and Kroll analysis.

9.6 Adjusted Net Borrowings

In order to arrive at the value of equity, it is necessary to deduct the net borrowings from the unlevered value of InvoCare. Kroll has assessed InvoCare's net borrowings for the purpose of this valuation to be \$235.2 million. This amount is based on InvoCare's external borrowings, finance lease liabilities and cash balance 30 June 2023. It also includes adjustments relating to the cash payment for the acquisition of the minority interest in Macquarie Memorial Park Pty Limited in August 2023 and InvoCare's 'in the money' Options and performance rights that will cash settled as a result of the Transaction.

InvoCare Adjusted Net Borrowings as at 30 June 2023 (\$ Millions)

	Value
Cash and cash equivalents (as at 30 June 2023)	21.9
Cash payment for minority interest in Macquarie Memorial Park Pty Limited	(1.6)
Cash settled Options and performance rights	(1.2)
Total external borrowings (as at 30 June 2023)	(240.9)
Finance lease liabilities (as at 30 June 2023)	(13.4)
Adjusted Net borrowings	(235.2)

Source: Kroll analysis.



Appendix 1 – Kroll disclosures

Qualifications

The individuals with overall responsibility for preparing this report on behalf of Kroll are Ian Jedlin and Celeste Oakley. Ian is an Associate and Accredited Business Valuation Specialist of the Institute of Chartered Accountants Australia and New Zealand and holds a Master of Commerce. He is also the Vice Chair of the Standards Review Board of the International Valuation Standards Council. Celeste holds a Bachelor of Economics, a Bachelor of Laws and a CFA designation. Both Ian and Celeste have extensive experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Kroll's opinion as to whether the Scheme is in the best interests of InvoCare Shareholders, in the absence of a superior proposal. Kroll expressly disclaims any liability to any InvoCare Shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, Kroll has had no involvement in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. As such, Kroll takes no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme (other than this report).

Independence

Kroll considers itself to be independent in accordance with the requirements of Regulatory Guide 112 issued by ASIC on 30 March 2011. In considering independence, it is noted that Kroll does not have, and has not had within the previous two years, any business or professional relationship with InvoCare or TPG or any financial or other interest that could reasonably be regarded as capable of affecting our ability to provide an unbiased opinion in relation to InvoCare. Kroll's only role with respect to the Scheme has been the preparation of this report.

Kroll will receive a fixed fee of \$330,000 (excluding GST and out of pocket expenses) for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme Meetings. Kroll will receive no other benefit for the preparation of this report.

Declarations

InvoCare has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

During the course of this engagement, Kroll provided draft copies of this report to management of InvoCare for comment as to factual accuracy, as opposed to opinions, which are the responsibility of Kroll alone. Changes made to this report as a result of those reviews have not altered the methodology or opinions of Kroll as stated in this report.

The engagement has been conducted in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**).

Kroll is authorised by Millinium Capital Managers Limited, Australian Financial Services Licence no. 284336, to provide the following financial services as their Corporate Authorised Representative:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities;

with respect to retail clients and wholesale clients.

Consents

Kroll consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet to be issued to InvoCare Shareholders. Neither the whole nor any part of this report or its



attachments or any reference thereto may be included or attached to any other document without the prior written consent of Kroll as to the form and context in which it appears.



Appendix 2 – Limitations and reliance on information

Limitations and reliance on information

Kroll's opinion is based on prevailing economic, market, business and other conditions at the date of this report. However, the factors impacting these conditions continue to evolve and can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Our report is also based on financial and other information provided by InvoCare and its advisers. InvoCare has been responsible for ensuring that information provided by it and its representatives is not false or misleading or incomplete. InvoCare has represented in writing to Kroll that to its knowledge, the information provided is complete and not incorrect or misleading in any material respect. Complete information is deemed to be information which at the time of completing this report should have been made available to Kroll and would have reasonably been expected to have been made available to Kroll to enable us to form our opinion. We have no reason to believe that any material facts have been withheld from us.

In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying such information. Nothing in this report should be taken to imply that Kroll has in any way carried out an audit of the books of account or other records of InvoCare or TPG for the purposes of this report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards, as applicable.

In addition, we have also had discussions with InvoCare in relation to the nature of the business operations, specific risks and opportunities, historical results of InvoCare and prospects for the foreseeable future of InvoCare. This type of information has been evaluated through analysis, inquiry and review to the extent considered necessary or practical as part of the information used in forming our opinion is comprised of the opinions and judgements of management. Kroll does not warrant that its procedures and inquiries have identified all matters that a more extensive analysis might disclose as they did not include verification work nor an audit or review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. Such information is often not capable of external verification or validation.

The statements and opinions included in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Disclosure of information

In preparing this report, Kroll has had access to all financial information considered necessary in order to provide the required opinion. InvoCare has requested Kroll limit the disclosure of certain information relating to InvoCare. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising InvoCare. As such the information in this report, unless otherwise indicated, has been limited to the type of information that is regularly placed into the public domain by InvoCare.

Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information

- Scheme Booklet;
- Scheme Implementation Deed;
- results presentations and annual reports for InvoCare for FY19 to FY22 and 1H23 results presentation and financial report;



- ASX announcements, press releases, media and analyst presentations and other public filings by InvoCare including information available on its website;
- broker reports and press articles regarding InvoCare;
- results presentations, annual reports, press releases and other public filings relating to comparable companies and comparable transactions;
- industry data, including from IBIS, Australian Bureau of Statistics, Statistics New Zealand, Department of Statistics Singapore and Euromonitor;
- various industry reports; and
- information sourced from Bloomberg, Refinitiv and S&P Capital IQ.

Non-public information

- InvoCare Board papers and other internal briefing papers prepared by InvoCare;
- InvoCare Strategic Plan; and
- other confidential documents, presentations and workpapers.

In addition, we have had discussions with, and obtained information from, senior management of InvoCare.



Appendix 3 – Broker consensus

As far as Kroll is aware, InvoCare is followed by five brokers, each of whom has published a report following the 1H23 trading update provided in the announcement on 9 August 2023 that InvoCare entered into the Scheme Implementation Deed with TPG.

A summary of the most recent broker forecasts for InvoCare following the announcement of 1H23 Results on 23 February 2023 is provided as follows:

Date of report	Operating revenue			Operating EBITDA			Normalised NPAT			Operating EBIT		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Broker 1	614.0	645.0	679.0	131.0	142.0	156.0	44.0	50.0	59.0	77.7	88.7	103.7
Broker 2	595.5	628.5	662.5	132.0	149.0	169.0	40.0	50.0	64.0	77.0	91.0	109.0
Broker 3	596.4	614.9	646.2	147.2	155.8	165.2	51.9	55.6	63.8	94.7	103.6	113.2
Broker 4	598.6	640.9	689.8	129.9	137.4	148.8	41.2	44.1	50.1	78.8	84.5	94.0
Broker 5	621.5	658.5	697.5	146.0	160.0	173.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Low	595.5	614.9	646.2	129.9	137.4	148.8	40.0	44.1	50.1	77.0	84.5	94.0
High	621.5	658.5	697.5	147.2	160.0	173.0	51.9	55.6	64.0	94.7	103.6	113.2
Median	598.6	640.9	679.0	132.0	149.0	165.2	42.6	50.0	61.4	78.2	89.8	106.3
Mean	605.2	637.6	675.0	137.2	148.8	162.4	44.3	49.9	59.2	82.0	91.9	105.0

Source: Broker reports; Kroll Analysis.

	Date of report	Operating EPS (cents)		Dividends per share (cents)		
		FY23	FY24	FY23	FY24	FY25
Broker 1	9 Aug 23	31.0	35.0	22.0	24.0	29.0
Broker 2	9 Aug 23	27.0	34.0	19.0	24.0	31.0
Broker 3	9 Aug 23	36.3	38.8	25.4	27.2	31.2
Broker 4	9 Aug 23	28.6	30.6	19.6	21.4	24.3
Broker 5	9 Aug 23	35.0	38.0	n.a.	n.a.	n.a.
Low		27.0	30.6	19.0	21.4	24.3
High		36.3	38.8	25.4	27.2	31.2
Median		31.0	35.0	20.8	24.0	30.0
Mean		31.6	35.3	21.5	24.2	28.9

Source: Broker reports; Kroll Analysis.



Appendix 4 – Valuation methodologies

The purpose of the valuation methodology adopted is, in the absence of direct market evidence, to provide an estimate of value using methodologies that rely on other sources of evidence. Consistent with International Valuation Standards, valuation methodologies applicable to assets or businesses can be categorised under three approaches: market approach, income approach and cost approach.

These approaches have application in different circumstances. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

The market comparable methodology indicates the value of a business by comparing it to publicly traded companies in similar lines of business. An analysis of the trading multiples of comparable companies yields insight into investor perceptions and, therefore, the value of the subject company. The multiples are evaluated and compared based on the relative growth potential and risk profile of the subject company vis-a-vis the publicly traded comparable companies. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands.

The comparable transaction methodology indicates value based on exchange prices in actual transactions. This process essentially involves the comparison and correlation of the subject company with other similar businesses recently sold or currently offered for sale. Considerations such as timeframe of transaction, premiums, and conditions of sale are analysed, and the observed transaction multiples are subjectively adjusted to indicate a value for the subject company.

A key step in both methods is determining the appropriate unit of comparison. In a business valuation common units of comparison include, revenue, EBITDA, EBIT, net profit after tax and book values. The choice will typically depend on the industry and characteristics of the subject asset.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them.

Income approach

Under an income approach the value of an asset is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history or there is a variable pattern of cash flow or the asset has a finite life.

The most common methodology adopted is the discounted cash flow (**DCF**) methodology. It has a strong theoretical basis and benefits by explicitly estimating future cash flows, allowing it to be used in a variety of circumstances, whether that be a start-up or an established business. It also allows for various scenarios and/or sensitivities to be modelled. Under a DCF methodology, forecast cash flows are discounted back to the valuation date resulting in a present value for the asset. Where there is an explicit forecast period a terminal value will typically be included, representing the value of the asset at the end of this period, which is also discounted back to the valuation date to give an overall value for the business. The rate at which the future cash flows are discounted (the discount rate) should reflect not only the time value of money, but also

the risk associated with the asset or business' future operations. Whilst discount rates are generally determined from observable data, substantial judgement is required in their determination. Further, the cash flows themselves also require considerable judgement in their preparation, placing significant importance on the quality of the underlying cash flow forecasts and the determination of an appropriate discount rate in order for a DCF methodology to produce a sensible valuation figure.

DCF's can also be extremely sensitive to what may be considered small changes in various assumptions and the longer the forecast period the more difficult it is in general to forecast cash flows with sufficient reliability. As such, it is important to adequately understand the basis and risks associated with the various assumptions used to derive the cash flow forecasts and recognise the impact it can have on resulting values including the value range. Notwithstanding, DCF methodologies are widely used and benefit from the rigour associated with the preparation of future cash flows.

Cost approach

Under a cost approach the value of an asset is determined having regard to the cost to replace or reproduce the asset. The most common methodologies include:

- the replacement cost;
- the reproduction cost method; and
- the summation method.

A cost based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies).

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).



Appendix 5 – Discount rate

Kroll has selected a WACC in the range of 7.0% to 7.5% for InvoCare based on the selected parameters presented in the table below. To calculate the WACC for InvoCare, a cost of equity has been calculated using the capital asset pricing model (CAPM), and the cost of debt is based on long-term estimates based on market observations. The WACC is commonly employed as the basis for determining an appropriate discount rate where cash flow forecasts consist of free cash flows to both debt and equity holders. Whilst we have utilised the WACC, we recognise that market participants often use less precise methods for determining a discount rate, including target internal rates of return or hurdle rates. They also often do not distinguish between investment types or regions.

To arrive at a concluded WACC for the entire InvoCare operation, we have had regard to risk free rates, equity risk premiums, betas and costs of debt for InvoCare. Kroll has considered the different operating geographies in which InvoCare operates. However, 85.5% of InvoCare's FY22 operating revenues were generated within Australia, with the residual being shared across New Zealand (10.7%) and Singapore (3.8%). Kroll assessed that the NZ WACC would be reasonably similar to the Australian WACC with a Singapore WACC not material for the overall business. As a result, Kroll has calculated the WACC with respect to InvoCare's Australian operation. Our selected WACC for InvoCare is 7.0% to 7.5%.

We have utilised the following parameters in deriving our discount rate for InvoCare.

Selected WACC Parameters for InvoCare

Parameter	Symbol	Low	High
Risk free rate	Rf	4.0%	4.0%
Equity risk premium	ERP	6.0%	6.0%
Unlevered Beta		0.50	0.60
Tax rate	t	30.0%	30.0%
Gearing [Net Debt / (Net Debt + Equity)]	D/(D+E)	20.0%	15.0%
Debt/ Equity	D/E	25.00%	17.65%
Levered Beta	β	0.59	0.67
Cost of Equity (Post-Tax)	Ke	7.5%	8.0%
Pre-tax cost of debt	Kd	6.3%	6.3%
InvoCare WACC (rounded)		6.9%	7.5%
InvoCare WACC (selected)		7.00%	7.50%

Source: Kroll analysis

The objective of the discount rate is to appropriately reflect the expected return of a hypothetical prudent purchaser, based upon the perceived risks associated with InvoCare. In this respect, it is relevant to recognise that the selection of an appropriate discount rate to apply to the forecast cash flows of any asset or business operation is a matter of judgement and that the individual components should not be considered in isolation but rather as components of an overall discount rate. As a result of this subjectivity, the calculated discount rate should be treated as guidance rather than objective truth.

Furthermore, our discount rate reflects an assessment at a point in time as to both current market conditions and future expectations. To the extent that there are any changes in conditions and expectations over time, it is likely that an adjustment to the discount rate may be warranted.

Cost of equity

The cost of equity has been derived from the application of a CAPM. The CAPM has been empirically tested and is widely accepted for the purpose of estimating a company's required return on equity. In applying the CAPM, the rate of return on equity is estimated as the current risk-free rate of return on a long-term government bond plus a market risk premium, multiplied by the "beta" for the shares. Beta is defined as a risk measure that reflects the sensitivity of a company's share price to the movements of the stock market as a whole and is a measure of systematic risk.

The CAPM rate of return on equity capital is calculated using the formula:

$$K_e = R_f + \beta * (R_m - R_f)$$



Where:

Ke = Rate of return on equity capital;

Rf = Risk-free rate of return (normalised long-term Australian sovereign risk);

β = Beta or systematic risk for this type of equity investment, re-levered to reflect the debt-to-equity profile of the investment;

Rm - Rf = Equity risk premium (**ERP**); the expected return on a broad portfolio of stocks in the market (**Rm**) less the risk-free rate (**Rf**); and

Risk-free rate

The risk-free rate is a key input in the CAPM. It is the return available, as of a valuation date, on a security that the market generally regards as free of the risk of default. When valuing a going-concern business, the risk-free rate is typically measured over a long-term period. In practice, long-dated bonds issued by governments considered to be generally safe have traditionally been accepted as a proxy for a risk-free security. As InvoCare's forecast cash flows are denominated in Australian dollars, we have used the 10-year Australian Government Treasury yield as a proxy for the risk-free security. As at 18 September 2023, the spot 10-year yield was 4.21%.

Sovereign yields in many developed countries, including Australia, have been at or near historical lows in recent years. Periods of high uncertainty are often accompanied by flights to quality, which means investors shift significant capital to liquid assets considered "safe", such as government securities of major advanced economies, lowering yields on these securities. Australia is one of the very few countries in the world carrying a AAA sovereign debt rating and is therefore considered a safe haven by global investors.

In addition, to mitigate the impact of the COVID-19 pandemic the RBA, along with other major central banks, resorted to the use of unconventional monetary policies, including: large-scale purchases of government securities and, in some cases, other financial assets (e.g., corporate bonds), known as quantitative easing (QE); and yield curve targeting policies. The objective was generally the same - to drive long-term interest rates lower and provide ample liquidity to financial markets, thereby lowering the cost of capital and softening the impact of mandatory lockdown policies. The combination of investor flights to quality and central bank interventions contributed to the record low yields observed during 2020.

Inflation globally has continued to surprise to the upside, with supply chain disruptions and the recent escalation of the Russia-Ukraine conflict exacerbating inflationary pressures. This precipitated a significant shift in the RBA's monetary policy stance relative to December 2021. This stance entails: more and/or larger policy interest rate (cash rate) hikes, and an end to the RBA's QE policies under which the RBA acquired almost \$224 billion of AGS and \$57 billion of semi government securities (instead, the RBA will initiate a quantitative tightening (QT) process). The RBA's goal is to contain inflation and normalise the size of its balance sheet.

These recent developments have led to a significant increase and higher volatility in interest rates. For example, the spot 10-year Australian Commonwealth Government bond yield increased from 1.68% as at 31 December 2021 to 4.20% as at 21 October 2022. So far in 2023 we have seen the spot 10-year Australian Commonwealth Government bond yield fluctuate in a range from 3.2% to 4.3%. Similar movements in the yields of government securities can be seen globally.

During these periods of massive central bank interventions, where risk-free rates appear to be abnormally or artificially low, Kroll recommends the use of normalised risk-free rates. A normalised risk-free rate is an estimate of a risk-free security that would prevail in the absence of non-market factors affecting rates. A normalised risk-free rate can be accomplished in a number of ways, including:

- (i) simple averaging
- (ii) various "build-up" methods

The first method of estimating a normalised risk-free rate entails calculating averages of yields-to-maturity on long-term government securities over various periods. This method's implied assumption is that government bond yields will revert to the mean. As of August 2023, the 10-year trailing average of the 10-year Australian Commonwealth Government bond yield was 2.5%.

The second method is to normalise risk-free rates relied on build-up models based on the "Fisher equation", which consists of adding a country's projected real rate based on stabilised medium- to long-term economic



conditions to the long-term expected inflation.⁹¹ The long-term real rate cannot be observed directly in the market but there are academic papers that provide attempt to estimate such rate. In the case of Australia, we found that these estimates ranged between (0.3)% to 1.0%.⁹² For the second component of the equation, we use a number of well-established surveys and economic forecasting providers, to arrive at consensus estimates for long-term expected inflation in Australia. As of September 2023, Kroll's analysis of the long-term Australian estimates of inflation produced estimates of 2.7% to 3.3%. Kroll assessed a normalised Australian risk-free rate of 3.5%.

Kroll's approach is to apply the higher of the normalized risk-free rate and the spot yield. As at 18 September 2023, the recent average spot yields for the 10-year Australian Commonwealth Government bond yields over various time horizons were approximately 4.0%. Having consideration to the discussed factors, we arrived at a normalised risk-free rate of 4.0% for Australia.

Equity risk premium

The equity risk premium (**ERP**) represents the required return for bearing the incremental risk of investing in a diversified portfolio of equities rather than investing in a risk-free asset (such as a government bond of a government considered safe of default). A forward-looking ERP is not directly observable in the market. Accordingly, valuation practitioners typically utilise historical data to estimate ERP. However, it is important to understand the level of risk-free rates used to measure the historical ERP and whether the resulting combination of risk-free rate and ERP result in a reasonable proxy for a forward-looking base cost of equity.

To the extent that the realised (i.e., historical) ERP equates on average to expected premiums in prior periods, the historical average ERP may be a useful starting point in developing a current forward-looking ERP estimate. A reason one might look to the historical ERP is that the expectations of investors will be framed from their experiences, and the average historical ERP might be expected to have an influence on investors' expectations about the future. Hence there is usually at least some reliance on average historical ERPs when developing current forward-looking ERP estimates.

However, this does not mean that the ERP estimate should be static over time. Periods of market stability (low volatility) likely indicate that the current forward-looking ERP estimate is below the historical average, and periods of heightened volatility likely indicate that the current forward-looking ERP estimate is above the historical average.

The historical ERP has been estimated from an Australian investor perspective over different periods by various researchers and regulatory authorities. In forming our view we have had particular regard to the work of Dr Bishop,⁹³ as summarised and updated in "Appendix 3B: Additional Sources of Equity Risk Premium Data – Australia" in the *2021 Valuation Handbook – International Guide to the Cost of Capital*, published by Duff & Phelps (a Kroll business).⁹⁴ Dr. Bishop estimated the historical Australian ERP for the period of 1900–2020 under different investor perspectives: (i) an Australian investor (in Australian Dollars, or AUD) with access to (i.e., eligible to receive) imputation tax benefits; (ii) an investor in AUD without access to imputation tax benefits.

The geometric average and the arithmetic average realised ERP were both calculated relative to Australian long-term government bonds. Both the geometric and arithmetic average ERP indications were estimated directly from the underlying data. We consider the arithmetic average to be more relevant for the valuation of businesses. The analysis indicated an arithmetic average ERP of 6.8% for an investor with access to imputation benefits and 6.4% for an investor without access to imputation benefits.

⁹¹ This is a simplified version of the "Fisher equation", named after Irving Fisher. Fisher's "The Theory of Interest" was first published by Macmillan (New York), in 1930. To be more precise, nominal interest rates incorporate not just inflation expectations, but also compensation for bearing inflation risk. In other words, inflation compensation economically consists of two components: expected inflation (the rate of inflation over the term of the risk-free investment) plus an inflation risk premium (the risk that expected inflation will increase or decrease relative to expected inflation). In essence, the inflation risk premium is related to the dispersion of forecasts of market participants around the expected future inflation rate. The greater the dispersion, the greater the uncertainty, the higher the premium demanded by investors to compensate for this risk.

⁹² Nugent, T., and Tapas Strickland, "What does monetary policy neutrality look like today?", Australia Markets Weekly, June 2021, National Australia Bank; Guttman, R., D. Lawson, and P. Rickards, "The Economic Effects of Low Interest Rates and Unconventional Monetary Policy", RBA Bulletin–September 2020. Bulletin, (September); McCririck, Rachael, and Daniel Rees, 2017 "The Neutral Interest Rate", RBA Bulletin, September Quarter 2017.

⁹³ Bishop, S., T. Carlton and T. Pan, "Market Risk Premium; Australian Evidence" Research Paper for the CAANZ Business Valuation Specialist Conference, 13- 14 August, 2018.

⁹⁴ The *2021 Valuation Handbook – International Guide to the Cost of Capital* is available in the Cost of Capital Navigator online platform.



In order to be consistent with the approach we adopted to estimate the risk-free rate (based on a normalised estimate), we have applied a long-term view in determining the ERP. On this basis we consider an ERP of 6.0% as appropriate for the long-term investment climate in Australia. Furthermore, an ERP of 6.0% is also within the range determined in various other academic studies and adopted by independent experts in comparable independent expert reports.

We have calculated the ERP for other markets based on publicly available cost of capital data.

Beta

In selecting an appropriate beta to apply to InvoCare, Kroll has considered betas for deathcare companies as well as Australian healthcare and Australian consumer staples companies as at 18 September 2023.

Beta analysis

Company Name	Market Cap (A\$m) ²	Local Predicted	BARRA (Levered)		Capital IQ (Local Index) ¹			
					2 Year Weekly		5 Year Monthly	
			Levered	Unlevered	Levered	Unlevered		
Deathcare								
Invocare Limited ³	\$1,289.3	0.86	0.78	0.68	0.94	0.83		
Service Corporation International	\$14,293.7	0.84	0.64	0.49	0.74	0.56		
Fu Shou Yuan International Group Limited	\$2,574.1	0.72	0.96	1.05	0.82	0.88		
Park Lawn Corporation	\$817.3	0.97	0.72	0.62	1.14	1.00		
Carriage Services, Inc.	\$719.0	1.06	0.73	0.40	0.90	0.51		
Propel Funeral Partners Limited	\$520.5	0.66	0.46	0.42	0.67	0.63		
Deathcare - Median excl. outliers		0.84	0.72	0.49	0.82	0.63		
Deathcare - Average excl. outliers		0.85	0.70	0.60	0.85	0.72		
Australian Healthcare								
Sonic Healthcare Limited	\$14,700.9	0.81	0.82	0.78	0.82	0.76		
Ramsay Health Care Limited	\$11,705.0	0.93	0.89	0.67	0.86	0.69		
Healius Limited ⁴	\$1,583.3	0.96	0.85	0.54	1.12	0.73		
Regis Healthcare Limited	\$809.4	0.85	0.53	0.48	1.35	1.09		
Estia Health Limited ⁵	\$604.6	0.75	0.40	0.38	1.29	1.17		
Australian Healthcare - Median excl. outliers		0.85	0.85	0.67	1.12	0.76		
Australian Healthcare - Average excl. outliers		0.86	0.85	0.66	1.09	0.89		
Australian Consumer Staples								
Woolworths Group Limited	\$45,903.6	0.53	0.38	0.36	0.46	0.45		
Coles Group Limited	\$21,091.1	0.48	0.37	0.37	0.33	0.33		
Endeavour Group Limited	\$9,687.6	0.60	0.09	0.09	0.44	na		
Australian Consumer Staples - Median excl. outliers		0.53	0.38	0.36	0.40	0.39		
Australian Consumer Staples - Average excl. outliers		0.54	0.38	0.36	0.40	0.39		
All Companies - Median excl. outliers		0.81	0.73	0.52	0.84	0.71		
All Companies - Average excl. outliers		0.78	0.68	0.57	0.88	0.73		

Source: Barra, Capital IQ and Kroll Analysis.

Notes:

- Capital IQ (Local Index) two-year and five-year levered betas are based on each of the comparable companies' correlation with a relevant local index as at 18 September 2023. Two-year and five-year unlevered betas are calculated using the respective company's average two and five-year debt to equity (D/E) ratio. D/E is defined as Net Debt divided by the summation of Market Capitalisation and Minority interests. Barra betas are as at 31 August 2023.
- The presented market capitalisations have been sourced from S&P Capital IQ using recorded shares on issue.
- InvoCare market capitalisation and Capital IQ betas are calculated as at 6 March 2023, the last undisturbed trading day. InvoCare barra betas are presented as at 28 February 2023.
- Healius Limited's market capitalisation and Capital IQ betas are calculated as at 17 March 2023, the last trading day prior to the announcement of Australian Clinical Labs' takeover offer. Healius Limited's barra betas are presented as at 28 February 2023.
- Estia Health Limited's market capitalisation and Capital IQ betas are calculated as at 23 March 2023, the day prior to the announcement of Bain Capital's Indicative non-binding proposal. Estia Health Limited's barra betas are presented as at 28 February 2023.
- Shaded values indicate insignificant results. Values that are shaded have been excluded from analysis.

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This table shows a degree of variation in betas across the selected companies, suggesting that determining a reliable beta for InvoCare is difficult. As at 18 September 2023:

- the deathcare companies are more comparable to InvoCare than the healthcare companies or consumer staples and consequently, we have focused on their betas;
- overall, betas for deathcare companies are lower when calculated over a two-year period than over a five-year period. This trend is also seen for Australian healthcare and Australian consumer staples businesses. Potentially, the higher betas when calculated over a five year period reflects the impact of the COVID-19 pandemic on the two year betas. For deathcare businesses, the removal of COVID-19 pandemic related restrictions, such as lockdowns, over the past two years has potentially enabled greater normality in operating conditions, reducing volatility and resulting in lower betas;
- InvoCare's predicted Barra beta (local index) was 0.86, its two-year weekly unlevered beta (as at 6 April) was 0.68 and its five-year monthly unlevered beta was 0.83. As discussed above, Kroll weighs the two year beta more heavily than the five year betas given the greater consistency in operating environment for InvoCare over the two year horizon;
- the median two-year weekly unlevered beta for deathcare companies was 0.49 and the median five-year monthly beta was 0.63. Kroll notes that the deathcare comparables have different operating environments, leverage and idiosyncratic factors that drive their individual betas, however, agrees that the unlevered beta for a deathcare provider should be relatively low given the consistency of the revenue drivers.

Intuitively, we would expect the beta for a mature consumer products business in Australia, such as InvoCare, to be below 1. In selecting a beta for InvoCare, we have sought to balance these factors noting that significant judgement is necessary. On balance, having regard to the factors discussed above. Kroll has selected an unlevered beta for InvoCare in the range of 0.50 to 0.60. Based on our selected market gearing of 15.0% to 20.0%, this results in a levered beta in the range of 0.59 to 0.67.

Gearing

In selecting an appropriate gearing ratio for InvoCare for the purpose of re-leveraging our selected asset beta, we have considered the gearing levels of comparable companies.

The gearing ratios for the selected comparable companies are set out as follows.

Gearing analysis

Company Name	Market Cap (A\$m)	Average Gearing	
		2 year	5 year
Deathcare			
Invocare Limited ¹	\$1,289.3	8.4%	12.9%
Service Corporation International	\$14,293.7	27.8%	28.2%
Fu Shou Yuan International Group Limited	\$2,574.1	(12.8%)	(10.2%)
Park Lawn Corporation	\$817.3	16.5%	13.3%
Carriage Services, Inc.	\$719.0	49.8%	48.4%
Propel Funeral Partners Limited	\$520.5	11.1%	8.7%
Deathcare - Median		16.5%	13.3%
Deathcare - Average		18.4%	17.7%
Australian Healthcare			
Sonic Healthcare Limited	\$14,700.9	6.9%	10.3%
Ramsay Health Care Limited	\$11,705.0	30.2%	25.0%
Healius Limited ²	\$1,583.3	48.0%	44.7%
Regis Healthcare Limited	\$809.4	12.8%	24.0%
Estia Health Limited ³	\$604.6	6.1%	11.8%
Australian Healthcare - Median		12.8%	24.0%
Australian Healthcare - Average		12.8%	24.0%
Australian Consumer Staples			
Woolworths Group Limited	\$45,903.6	5.8%	4.7%
Coles Group Limited	\$21,091.1	2.1%	2.1%
Endeavour Group Limited	\$9,687.6	10.9%	na
Australian Consumer Staples - Median		5.8%	3.4%
Australian Consumer Staples - Average		6.3%	3.4%
All Companies Median		11.1%	12.6%
All Companies Average		16.5%	17.6%

Source: S&P Capital IQ.

Notes:

1. The presented market capitalisations and gearing have been sourced from S&P Capital IQ as at 18 September 2023. InvoCare's data is calculated as at 6 March 2023, the last undisturbed trading day.
2. Healius Limited data is calculated as at 17 March 2023, the last trading day prior to the announcement of Australian Clinical Labs' takeover offer.
3. Estia Health Limited data is calculated as at 23 March 2023, the day prior to the announcement of Bain Capital's Indicative non-binding proposal.
4. Gearing has been calculated as (total debt plus preference shares minus cash minus right of use lease liabilities) divided by (total debt plus preference shares minus cash minus right of use lease liabilities plus market capitalisation plus minority interests).

For any company, there is likely to be a level of gearing that represents the optimal capital structure for that company. In estimating a discount rate, the gearing assumption should reflect this optimal or target capital structure, however, "optimal" as opposed to "actual" capital structures are not readily observable. In practice, both the existing capital structure and those of comparable businesses are used as a guide taking into account the specific circumstances of the relevant entity.

We have focused on deathcare companies gearing over a two-year period. Healthcare companies are more asset intensive so can support higher gearing whilst consumer staples companies have lower risk associated with their cash flow streams so can also support higher gearing. As at 6 March 2023, InvoCare's market gearing was 8.4% when measured over a two-year period and 12.9% over a five-year period. Median for deathcare companies, other than InvoCare, is 16.5% over a two-year period.

Having regard to these factors, we have selected a gearing ratio of 15.0% to 20.0% for InvoCare.

Pre-tax cost of debt

For the purposes of assessing fair value however, we estimated a cost of debt from the perspective of the likely debt rate that would apply to InvoCare if acquired by an external market participant. We have approximated the long term, pre-tax cost of debt for each business unit with the following methodology:

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- using our long-term risk-free rate (4.0%) as a base;
- adding the credit risk spread between the five-year BBB rated Australian corporate bonds and five-year Australian Government bonds (2.05%); and
- adding the yield differential between five- and 10-year bonds (0.25%).

Based on the above, a long-term pre-tax cost of debt of 6.3% is considered to be appropriate for a commercial business operating in a competitive market.

Tax rate

We have adopted an effective tax rate of 30%. We have not ascribed any value to accrued tax losses in the discount rate.

For each of the individual WACC calculations, we have used the prevailing corporate tax rate for each market.

Cross-check

As a cross check to our WACC we have considered analysis of recent reports on InvoCare by brokers which indicate that they are utilising a WACC in the range 6.90% to 8.50% in their valuation models. Kroll's selected discount rate sits at the lower end of this range. We note that there are significant limitations in this evidence as a number of the brokers do not provide details of the assumptions they have utilised in the build-up of their discount rate.

Appendix 6 – DCF base case assumptions

Base case assumptions

Kroll's DCF analysis projects cash flows on a 'business as usual' basis assuming a flat market share from FY23, then adds the potential cash flow uplift from certain of the strategic growth initiatives under Phase 2 of the Strategic Plan.

Kroll's Base Case (Scenario A) includes all well-developed strategies and assigns a 50% weighting to the strategic growth initiatives that are under-development on the basis that an acquirer would not pay full value for initiatives that are not yet approved and which it would have to implement itself.

- **Funerals Australia:** Project Harmony, improvement of digital and phone channels for customers, acquisitions and optimisation of existing facilities and locations. These growth opportunities aim to reduce InvoCare's cost to serve, increase productivity and grow InvoCare's market share within Australia particularly under InvoCare's Simplicity brand;
- **Cemeteries & Crematoria:** the 'Park as a destination' initiative, employee resource planning efficiencies and InvoCare's investment in Parting Stone. These growth opportunities aim to ensure more inclusive cemetery parks across Australia and expand product offerings for customers;
- **Pet Cremations:** acquisitions and investments in marketing and customer conversion. These strategies aim to grow InvoCare's veterinary partnerships and continue to leverage acquisitions in parts of Australia that InvoCare does not currently have market share; and
- **New Zealand and Singapore:** location upgrades and other strategies. InvoCare's international strategies include location optimisation and targeted investments in growth locations.

The key assumptions underlying the Base Case (Scenario A) are:

Funerals Australia

- **strategic initiatives:** key strategic initiatives for Funerals Australia include Project Harmony, aimed at improving operational efficiencies, and other inorganic growth initiatives such as M&A activity;
- **case numbers:** calculated as the product of the following:
 - **death rate:** based on ABS forecasts prepared in 2017, updated to reflect the impact of the COVID-19 pandemic and subsequent excess deaths in FY22 and InvoCare management's judgement. The death rate returns to the long term growth trajectory in FY23;
 - **InvoCare market share:** InvoCare's overall market share recovers from 21.1% in FY22 (when InvoCare was unable to service excess industry demand) to 22.8% in FY23, then increases to 27.5% by FY27, driven by additional case volumes derived from well-developed strategic initiatives including Project Harmony and acquisitions;
- **case average (\$ per case):** case average growth is consistent with inflation forecasts in FY23 then grows by 3.25% in FY24 and 3.0% thereafter. Growth in case average has historically exceeded inflation forecasts;
- **gross margin:** cost of sales is a fixed portion of net sales, which is in line with historical experience (pre COVID-19 pandemic);
- **operating expenses:** employee costs and motor vehicles have been modelled as variable costs; other costs are fixed and increase by inflation. Employee costs are driven by number of funerals per FTE employees, multiplied by the number of funerals, and an average cost per FTE grown at rates in line with inflation. Motor vehicle costs increase from 1.2-1.4% of net sales to 1.7% in FY23 due to upgrading the fleet, higher fuel costs and a focus on sustainable operations;
- **capital expenditure:** includes recurring capital expenditure as well as platform and strategic capital expenditure aligned with various InvoCare funeral strategies. Capital expenditure increases in FY24 & FY25 before declining in FY26;

Cemeteries & Crematoria Australia

- **strategic initiatives:** well-developed strategies focused on the Cemeteries & Crematoria business include capital expenditure investment in employee resource planning and cemetery infrastructure ('Parks as a Destination');



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- **case numbers:** calculated as the product of the following:
 - **death rate:** same assumptions as for the Funerals Australia business;
 - **InvoCare market share:** InvoCare's market share in cremations and burials recovers from 13.7% in FY22 (when InvoCare was unable to service excess industry demand) to 14.8% in FY23, then declines to 13.6% in FY27;
- **quota sales:** represent approximately 86.6% of Cemeteries & Crematoria Australian revenues over the forecast period in the base case, are grown at an average rate of 3.3% to FY27. Quota sales comprise merchandise sales such as memorialisation products, plaques and burial sites;
- **case average and gross margin:** case average growth and gross margins are in line with results achieved by InvoCare over the past two years and remain flat throughout the forecast period at approximately 85%;
- **operating expenses:** operating expenses are modelled for the Cemeteries & Crematoria business in a similar way as with the Funerals Australia business, with motor vehicle expenses being recorded at 1.7% of net sales. All other operating expenses are fixed, including personnel;
- **capital expenditure:** capital expenditure in the Cemeteries & Crematoria business is largely derived from recurring maintenance capex as well as strategic initiatives, namely the 'Parks as a Destination' program aimed at improving existing cemetery infrastructure to enable additional services to be provided to park guests.

Pet Cremations Australia

- **strategic initiatives:** well-developed strategies focused on the Pet Cremations business include operational efficiencies and potential M&A activity;
- **case numbers:** calculated as the product of the following:
 - **death rate:** 5.0% growth in the Australian market for private pet cremations, supported by ongoing trends including the 'humanisation of pets', discussed in Section 7.3 of this report;
 - **market share:** improves slightly on historical results, with case volumes built up from veterinary practice partners that InvoCare has established;
- **case average:** grows in line with historical trends for FY23 and FY24 before growth aligns with inflation;
- **gross margin:** flat at around 80%;
- **operating expenses:** operating expenses in the Pet Cremations business are modelled in line with the operating expense treatment in the Cemeteries and Crematoria business, discussed above;
- **capital expenditure:** capital expenditure in the Pet Cremations business is largely derived from recurring and growth capex as well as strategic initiatives, such as M&A.

New Zealand

- **impact of strategic initiatives:** well-developed strategies focused on the New Zealand business include infrastructure upgrades and site optimisation;
- **case numbers:** calculated as the product of the following:
 - **death rate:** based on NZ national projections, declining in FY23 before moderate growth is assumed throughout the rest of the forecast period;
 - **market share:** FY23 market share of 21.5% grows marginally over the forecast period, aided by the implementation of strategic initiatives.
- **case average and cost of sales:** in line with historical results;
- **A\$/NZ\$ exchange rate:** A\$0.9563 per NZ\$1 in FY23 and A\$0.8961 per NZ\$1 thereafter.⁹⁵
- **operating expenses:** operating expenses in the New Zealand business are modelled in line with the operating expense treatment in the Cemeteries and Crematoria business, discussed above;

⁹⁵ S&P Capital IQ forecasts as at 30 June 2023



- **capital expenditure:** capital expenditure in the New Zealand business is largely derived from recurring capex as well as strategic initiatives, such as optimisation of locations and M&A.

Singapore

- **strategic initiatives:** well-developed strategies focused on the Singapore business are minor and have a limited capital expenditure requirement;
- **case numbers:** calculated as the product of the following:
 - **death rate:** InvoCare has modelled the number of deaths in Singapore within the non-Malaysian community with an annual growth rate in deaths at 2.5%. InvoCare has traditionally marketed its services in Singapore to the ethnic Chinese market, as discussed in Section 8.4.6;
 - **market share:** FY23 market share of 6.4% is in line with FY22 results and is maintained through to FY27;
- **case average:** increases by an average of 1.0% per annum, which takes into account the competitive market, existing premium pricing and risk regarding licence renewal;
- **gross margin:** margin declines in FY23 to 76.1%, in line with FY18-FY20 performance, and then remains flat;
- **A\$/S\$ exchange rate:** A\$1.1001 per S\$1 in FY23 and A\$1.0332 per S\$1 thereafter;⁹⁶
- **operating expenses:** operating expenses in the Singapore business are modelled in line with the operating expense treatment in the Cemeteries and Crematoria business, discussed above; and
- **capital expenditure:** capital expenditure in the Singapore business is derived predominantly from recurring capex.

⁹⁶ S&P Capital IQ forecasts as at 30 June 2023

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Appendix 7 – Market evidence

Comparable companies

The following table sets out the trading multiples for the comparable companies to InvoCare, as at 18 September 2023.⁶

Comparable Companies Trading Multiples

Company Name ¹	Country	Market cap (local currency \$ mill)	EV (local currency \$ mill)	EV/EBITDA ²				EBITDA CAGR (FY-FY+3) ³
				FY ⁴	FY+1	FY+2	FY+3	
Deathcare								
Propel Funeral Partners Limited	Australia	513.1	653.1	14.2	11.6	10.7	10.0	12.7%
Park Lawn Corporation	Canada	771.0	707.7	11.4	8.6	7.7	7.0	17.3%
Carriage Services, Inc.	United States	452.7	1,082.1	14.6	9.5	9.0	n/a	27.4%
Service Corporation International	United States	9,562.5	13,557.6	12.5	10.9	10.4	9.8	8.3%
Fu Shou Yuan International Group Limited	China	13,447.0	12,001.5	10.3	7.6	6.6	5.6	22.9%
Healthcare								
Regis Healthcare Limited	Australia	722.2	708.7	8.4	7.6	7.3	7.0	6.3%
Estia Health Limited	Australia	782.2	655.3	7.4	5.8	5.3	5.1	13.3%
Ramsay Health Care Limited	Australia	11,096.5	23,530.2	10.8	10.7	9.7	9.0	6.1%
Sonic Healthcare Limited	Australia	15,009.3	16,907.0	9.9	9.5	8.9	8.3	6.0%
Healius Limited	Australia	1,487.1	3,028.1	8.3	7.3	6.7	6.2	10.1%
Consumer staples/ Defensive								
Woolworths Group Limited	Australia	45,442.0	60,182.0	10.1	9.7	9.3	9.3	8.7%
Coles Group Limited	Australia	21,211.1	29,581.1	8.4	7.9	7.4	7.0	5.9%
Endeavour Group Limited	Australia	9,848.7	15,639.7	9.5	9.1	8.8	8.6	7.0%

Source: S&P Capital IQ, Refinitiv, Company financial statements; Kroll analysis.

Notes:

1. Australian based companies multiples calculated based on EBITDA during 12 months ended 30 June 2023, remaining companies calculated based on EBITDA during the 12 months ended 31 December 2022.
2. Forward multiples are based on broker consensus forecasts sourced from Refinitiv.
3. Implied EBITDA CAGR between FY22 and FY25 for all companies except for Park Lawn Corporation where an implied EBITDA CAGR from FY22 to FY24 was used.
4. Adjustments to revenue have been made to exclude pre paid (preneed) revenue which was recognised prior to completion of the service/transfer of the merchandise.

All sharemarket price data is as at 18 September 2023, except for Estia Health Limited for which share price data is at 21 March 2023. This was the last unaffected trading day prior to media speculation in relation to a potential takeover from Bain Capital, LP.

Deathcare

Propel

Propel owns and operates businesses, properties and infrastructure within the deathcare industry in Australia and New Zealand. Propel was established in 2012 and operates across 159 locations, including 35 cremation facilities and 9 cemeteries. Propel was first listed on the ASX in 2017 and has sought to grow



via acquisition. In the first 10 months of FY23, Propel had deployed approximately \$44.4 million across five acquisitions.⁹⁷

Park Lawn Corporation

Park Lawn Corporation (**Park Lawn**) is one of North America's largest providers of deathcare products and services, operating in Canada and the United States. Park Lawn operates cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service. Park Lawn sells cemetery lots, crypts, monuments, caskets and other merchandise. Park Lawn's products are sold on both a pre-need and at-need basis. As at 31 December 2022, Park Lawn operated 109 cemeteries, 132 funeral homes across a number of brands.⁹⁸ Park Lawn has sought to grow via acquisition, deploying US\$94.0 million across 11 acquisitions in 2022.

Fu Shou Yuan International Group

Fu Shou Yuan International Group (**Fu Shou Yuan**) is China's largest deathcare service provider. Fu Shou Yuan operates three main segments. The burial services segment sells burial plots and operates cemetery parks. The funeral services segment arranges, organises and hosts funerals. The auxiliary services segment engages in the provision of cremations as well as other services such as landscaping and garden design.

Service Corporation International

Service Corporation International (**Service Corporation**) is a North American provider of funeral, cremation and cemetery services. Service Corporation currently owns and operates more than 1900 funeral homes and cemeteries in the United States and Canada. Service Corporation is well known for its Dignity Memorial brand, North America's first transcontinental brand of deathcare products and services. Service Corporation's brands offer products and services on a pre-need and at-need basis.

Carriage Services Inc

Carriage Services Inc (**Carriage Services**) is a North American provider of funeral and cemetery services as well as death related merchandise, such as caskets and urns. Carriage Services provides services and products on both a pre-need and at-need basis. As at 31 December 2022, Carriage Services operated 173 funeral homes and 32 cemeteries in the United States.

Australian Healthcare

Ramsay Health Care Limited

Ramsay Health Care Limited (**Ramsay**) is an owner and operator of hospitals and other health care facilities providing services in acute care, mental health care, imaging & diagnostics, out-of-hospital, pharmacy and primary care. As at 30 June 2023, Ramsay operated over 530 locations across Australia, Asia, the United Kingdom and Europe under various brands including Elysium, Ramsay Australia, Ramsay UK, Ramsay Sante and Ramsay Sime Darby.

Sonic Healthcare Limited

Sonic Healthcare Limited (**Sonic Healthcare**) provides clinical laboratory or pathology services to medical practitioners, hospitals, community health services and patients across Australia, Europe, New Zealand, the United Kingdom and the United States. Sonic Healthcare also provides diagnostic imaging services in Australia with other business units including medical centre operations and occupational health services. Sonic Healthcare is the largest private pathology provider in Australia by revenue, with total revenues of \$8.2 billion in FY23.

Healius Limited

Healius Limited (**Healius**) is an Australian healthcare company operating pathology, imaging and day hospitals businesses. It is Australia's second largest pathology provider and third largest imaging provider. Healius' four pathology brands provide approximately one in every three pathology services in Australia. As at 30 June 2022, Healius operated across 2,252 locations and employed over 11,000 employees. Healius operates in all Australian states and territories, with its head office in Sydney.

⁹⁷ Propel ASX Announcement: Acquisition Completed. April 2023.

⁹⁸ Park Lawn Corporation 2022 Annual Report.

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Regis Healthcare Limited

Regis Healthcare Limited (**Regis**) is one of Australia's leading aged care service providers. Regis provides residential care, retirement living, home care and short-term care facilities. As at 30 June 2023, Regis managed over 500 retirement village units across ten retirement villages and affordable housing communities in Australia, with 6,385 beds, similar to Estia who has 6,720.

Estia

Estia is an Australian residential aged care provider. As at 30 December 2022, Estia operated 72 aged care homes across South Australia, Victoria, New South Wales and Queensland and catered for over 8,000 residents in FY22. Estia is currently subject to a takeover proposal from Bain Capital.

Australian Consumer Staples

Woolworths Group Limited

Woolworths Group Limited (**Woolworths**) is an Australian and New Zealand retail store operator. Woolworths operates Australian and New Zealand supermarkets under various brands including Woolworths, Woolworths Metro and Countdown brands. Woolworths' Big W brand sells general merchandise products to Australian customers. Woolworths also engages in wholesale markets and has investments in technology and analytics platforms. Woolworths divested its liquor & hotels business in 2021.

Coles Group Limited

Coles Group Limited (**Coles**) is an Australian retailer store operator. Coles operates the Coles and Coles Local supermarket brands across approximately 835 stores. Coles operates liquor retail brands including Liquorland, First Choice and Vintage Cellars across approximately 933 stores. Coles sold its fuel and convenience business to Viva Energy in September 2022.

Endeavour Group Limited

Endeavour Group Limited (**Endeavour**) is an Australian-based retail drinks and hotels business. The retail segment sells drinks for sale to customers in Australia across its brands including Dan Murphy's and BWS. Endeavour's hotel segment provides accommodation, food, beverage, entertainment and gaming within the ALH Hotels group. Endeavour manages approximately 350 hotels. Endeavour was formed following Woolworth's decision to divest the business in 2021.

Comparable transactions

The following tables set out the key comparable transactions within the funeral services sector.

Comparable Transactions Earnings Multiples

Announcement Date	Target	Acquirer	Country of Target	Premium to 1W VWAP	Percentage Acquired (%)	Implied EV ('100%) (\$ million)	EV / LTM EBITDA	EV / NTM EBITDA ¹
Funeral services								
4-Jan-23	Dignity PLC	Phoenix Asset Management Partners	United Kingdom	30%	70.1	1,483.3	17.0	11.8
15-Dec-22	Batesville Casket Company, Inc.	LongRange Capital	United States	na	100.0	1,125.0	na	na
25-May-22	StoneMor Inc.	Axar Capital Management LP	United States	50%	25.4	1,199.9	30.2	25.7
27-Jul-21	Japara Healthcare Limited	Calvary Bruce Private Hospital Limited	Australia	79.5%	100.0	519.0	14.4 ²	12.6
31-Mar-08	Batesville Casket	Hillenbrand Industries	United States	na	100.0	1,631.4	7.7	na
6-Aug-98	Equity Corporation International	Service Corporation International	United States	22.4%	100.0	1,360.4	16.5	na

Source: S&P Capital IQ, MergerMarket, Company financial statements; Kroll analysis.

Notes:

1. Forward EBITDA multiples have been calculated using broker forecasts accessed via Refinitiv, Company Announcements and other Independent Expert Reports.
2. Japara's LTM EBITDA figure has been normalised to adjust for the impacts of the COVID-19 pandemic.



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Phoenix Asset Management Partners Ltd / Dignity

On 4 January 2023, Dignity was acquired by a consortium lead by Phoenix Asset Management Partners Ltd (**Phoenix**) for an implied enterprise value of £789.0 million. Dignity is one of the United Kingdom's largest end of life service providers. Dignity offers funeral services, cremation services and pre-arranged funeral plans. Dignity also sells burial plots and memorialisation products at Dignity cemeteries. Dignity has a national network of 725 funeral branches, 46 crematoria and 28 cemeteries. Phoenix is a United Kingdom based privately owned investment manager that invests and manages funds on behalf of its clients. The transaction implied a trailing EV/EBITDA multiple of 17.0 times and a forward multiple of 11.8 times. Phoenix noted that Dignity had significant runway for both organic growth through additional investment in existing infrastructure assets and improved marketing investments, as well as inorganic growth through acquisitions.

LongRange Capital / Batesville Casket Company, Inc.

On 15 December 2022, LongRange Capital acquired Batesville Casket Company (**Batesville**) from Hillenbrand Industries (**Hillenbrand**) for consideration of US\$761 million. Batesville is an American manufacturer and supplier of burial caskets, cremation products and provides technology services for funeral homes and funeral professionals. LongRange Capital is an American private equity firm specialising in middle market investments. Financial details of the transaction were not disclosed however Hillenbrand noted that the divestiture enabled Hillenbrand to focus on its core business operations as a global industrial leader.

Axar Capita / StoneMor

On 25 May 2022, Axar Capital announced the acquisition of the remaining 25% stake in StoneMor that implied an enterprise value of US\$767 million. StoneMor is an owner and operator of cemeteries and funeral homes in the United States, with 302 cemeteries and 74 funeral homes in the United States and Puerto Rico. StoneMor sells products on a pre-need and at need basis, including burial lots, crypts, caskets, memorialisation products and other services involved with the installation of StoneMor's products. Axar Capital is an American investment manager focused on special investment situations. The acquisition occurred at a multiple of 30.2 times LTM EBITDA and a forward multiple of 25.7. The high valuation multiple reflects a significant takeover premium, with the cash consideration representing a 54.2% premium to StoneMor's closing share price on May 24 2022, as well as opportunities identified by Axar Capital to improve the performance of the underlying business.

Calvary Bruce / Japara

On 27 July 2021, Japara announced it had entered into a Scheme Implementation Deed with Calvary Bruce, with Calvary Bruce to acquire Japara for an implied enterprise value of \$519 million. Japara owns, develops and operates residential aged care homes in Australia. It operates approximately 4,000 resident places across 50 aged care homes and 180 independent living units in 5 retirements villages. Calvary Bruce is an Australia health care service provider including surgery, mental health, palliative care, and women's health clinics. The acquisition occurred at a multiple of 14.4 times normalised LTM EBITDA and 12.6 times broker consensus forward EBITDA, reflecting strong demand for Japara's assets, which was exemplified by the scheme's 81% premium relative to the undisturbed 30 day VWAP.

Hillenbrand / Batesville

On 7 May 2007, Hillenbrand announced the spin-off of Batesville for approximately US\$1.1 billion. Shareholders of Hillenbrand Industries received one share of Batesville for every share owned of Hillenbrand. The spin off occurred so that Hillenbrand could focus on its core businesses. The spin off occurred at an implied EV/EBITDA multiple of 7.7 times, with no transaction premium given that there was no effective buyer, rather a new ownership structure.

Service Corporation International / Equity Corporation International

On 6 August 1998, Equity Corporation International (**Equity Corporation**) signed a definitive agreement to be acquired by Service Corporation International (**Service Corporation**) in a scrip deal at an implied enterprise value of approximately US\$850 million. Equity Corporation is a provider of deathcare services and products in the United States, with over 250 funeral homes and 76 cemeteries at the end of 1997. Service Corporation is a deathcare product and service provider in the United States and Canada with a suite of products and services focused on Funeral and Cemetery segments. The transaction occurred at a historical EV/EBITDA multiple of 16.5 times.

Part Two – Financial Services Guide

What is an FSG?

This Financial Services Guide (“FSG”) is an important document that provides you with information to help you decide whether to use our financial services.

This FSG contains information on:

- who we are;
- who our authorised representatives are;
- how we can be contacted;
- certain financial services that we can offer you;
- how we, our authorised representatives and other parties involved in providing the financial services are paid in relation to the financial services we offer; and
- details of how you can make a complaint about us or the financial services we provide.

Who we are?

Kroll Australia Pty Ltd (ACN 116 738 535), (“We”, “us” and “Kroll”) is authorised to provide retail financial services on behalf of Millinium Capital Managers Limited (ACN 111 283 357) (“Millinium”), Australian Financial Services License (“AFSL”) no. 284336, as a Corporate Authorised Representative (“CAR”). We have also appointed Mr. Ian Jedlin as an authorised representative to Millinium’s AFSL (our “Authorised Representative”). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by InvoCare Limited (“Client”) to prepare an independent expert report (“Report”) in connection with the proposed acquisition by TPG Capital Global of Client. Client will provide our Report to you.

Our details

Kroll Australia Pty Ltd
Level 32, 85 Castlereagh St
SYDNEY
NSW 2000
www.kroll.com
Ph: 02 8286 7200

Our Authorised Representative

Ian Jedlin
ASIC authorised representative: No. 000404117
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Authorised Financial Services

Kroll is authorised by Millinium to provide the following financial services as their CAR:

- provide financial product advice in respect of the following classes of financial products:
 - interests in managed investment schemes including investor directed portfolio services; and
 - securities,
 - with respect to retail clients and wholesale clients.

This FSG only relates to the provision of general advice by Kroll.

Personal Advice

Neither we nor our authorised representatives can provide you with personal advice. Personal advice is advice that takes into account your objectives, financial situation and needs. Where you are referred to a financial planner for personal advice, they will make reasonable enquiries to understand your personal objectives, financial situation and needs. Their personal advice, and any relevant warnings, will be provided to you in their Statement of Advice (“SOA”).

Remuneration

Kroll charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Kroll \$330,000 (excluding GST and out of pocket expenses) for preparing the Report. Kroll and its officers, representatives, related entities and associates (“Personnel”) will not receive any other fee or benefit in connection with the provision of the Report. All Personnel that provide general advice on our behalf in providing services are on contract to us and receive a salary or payments in accordance with their respective contracts. They may also receive a bonus, but it is not related to the general advice provided in the Report.

Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaint Redressal

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll,

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Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

In writing:

Dispute Resolution Officer
Millinium Capital Managers Limited
GPO Box 615
Sydney, NSW, 2000

When your complaint is received by Millinium it will be entered onto Millinium's complaints register. All details of the complaint will be sent to the Disputes Resolution Officer who will investigate the circumstances of the complaint. If the Disputes Resolution Officer is unable to reach a satisfactory resolution of the complaint within thirty (30) business days of receipt, you should contact Australian Financial Complaints Authority ("AFCA"). The details are:

In writing:

<https://www.afca.org.au/make-a-complaint>

Telephone

1300 56 55 62 (local call rate)

Email

info@afca.org.au

Website

www.afca.org.au

Please note that AFCA can currently only deal with claims for compensation up to \$1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.



APPENDIX C

Scheme



Scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

Parties InvoCare Limited ACN 096 437 393 of Level 5, 40 Mount Street, North Sydney, NSW 2060 (**Target**)

Each holder of Target Shares recorded in the Target Share Register on the Scheme Record Date (other than an Excluded Shareholder).

Background

- A. Target and Bidder have entered into the Implementation Deed, pursuant to which, amongst other things, Target agreed to propose this Scheme to Target Shareholders and each of Target and Bidder agreed to take certain steps to give effect to this Scheme.
- B. If this Scheme becomes Effective, Bidder and HoldCo will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Scheme, and Bidder will acquire all Scheme Shares and Target will enter Bidder in the Target Share Register as the holder of the Scheme Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

Unless the context requires otherwise, in this Scheme:

Aggregate Cash Consideration means the aggregate of the Cash Consideration payable to Scheme Shareholders under this Scheme (taking into account all valid Elections made on or before the Election Date and the terms of this Scheme).

Aggregate Scrip Consideration means the aggregate number of HoldCo Shares issued to Scheme Shareholders under this Scheme (taking into account all valid Elections made on or before the Election Date and the terms of this Scheme).

All Cash Consideration means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

All Scrip Consideration means the Scrip Consideration for each Scheme Share held by a Scheme Shareholder.

All Scrip Election Option means an election by a Target Shareholder (other than an Excluded Shareholder) to receive the All Scrip Consideration for the Scheme Shares held by that Target Shareholder.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

Bidder means Eternal Aus BidCo Pty Ltd (ACN 669 053 258).

Bidder Group means Bidder and each of its Related Bodies Corporate, and a reference to a 'Bidder Group Member' or a 'member of the Bidder Group' is to Bidder or any of its Related Bodies Corporate.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.

Cash Consideration means an amount of \$12.70 for each Scheme Share, as adjusted in accordance with clause 5.9(b) of the Implementation Deed (if applicable).

CHES means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

CHES Holding has the meaning given in the Settlement Rules.

Class B Share means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Constitution and HoldCo SHD.

Condition means each condition specified in clause 3.1 of the Implementation Deed.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the New South Wales Supreme Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Target and Bidder.

Custodian has the meaning given in the HoldCo SHD.

Custom Consideration means, in respect of a Scheme Shareholder who has made a Custom Consideration Election Option:

- (a) the Cash Consideration for such number of Scheme Shares; plus
- (b) the Scrip Consideration for such number of Scheme Shares,

as agreed with Bidder (in its absolute discretion) in writing.

Custom Consideration Election Option means an election by a Target Shareholder (other than an Excluded Shareholder) to receive the Custom Consideration for the Scheme Shares held by that Target Shareholder.

Deed Poll means a deed poll to be entered into by Bidder and HoldCo substantially in the form of Attachment 3 to the Implementation Deed under which Bidder and HoldCo covenant in favour of the Scheme Shareholders to perform their obligations under this Scheme.

Effective means, when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Election means:

- (a) a Mixed Election Option 1;
- (b) a Mixed Election Option 2;
- (c) a Mixed Election Option 3;
- (d) an All Scrip Election Option; or
- (e) a Custom Consideration Election Option.

Election Date means 7.00pm on the date which is at least 5 Business Days prior to the date of the Scheme Meeting, or such other date as agreed in writing between Bidder and Target.



Election Form means the form of election under which a Target Shareholder (other than an Excluded Shareholder) is offered the opportunity to make an Election.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means 31 December 2023 or such other date as agreed in writing by Target and Bidder.

Excluded Shareholder means any Target Shareholder who is a Bidder Group Member or any Target Shareholder who holds any Target Shares on behalf of, or for the benefit of, any Bidder Group Member and does not hold Target Shares on behalf of, or for the benefit of, any other person.

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC, ASX, the Australian Competition and Consumer Commission, the Foreign Investment Review Board, the Australian Takeovers Panel and equivalent bodies outside Australia).

HoldCo means Eternal Aus HoldCo Ltd (ACN 669 042 782).

HoldCo Constitution means the constitution of HoldCo.

HoldCo Register means the register of members of HoldCo maintained in accordance with the Corporations Act.

HoldCo Share means a fully paid Class B Share to be provided to Scheme Shareholders under this Scheme.

HoldCo SHD means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo, amongst others, on substantially the terms set out in the term sheet in Attachment 4 to the Implementation Deed or such other form as agreed between Target and Bidder.

Implementation Date means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.

Implementation Deed means the scheme implementation deed between Target and Bidder dated 9 August 2023 as amended from time to time.

Independent Expert means the independent expert in respect of this Scheme appointed by Target to prepare the Independent Expert's Report.

Independent Expert's Report means the report to be issued by the Independent Expert in connection with the Scheme, such report to be included in or to accompany the Scheme Booklet, and including any subsequent, updated or supplementary report, setting out the Independent Expert's opinion whether or not the Transaction is in the best interests of Target Shareholders (other than Excluded Shareholders) and the reasons for holding that opinion.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Target Share Register at 7.00 pm on the Scheme Record Date is a place outside Australia and its external territories, unless Bidder determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when this Scheme becomes Effective.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

Listing Rules means the official listing rules of the ASX.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Maximum Cash Consideration means a cash amount equal to the value of the Cash Consideration multiplied by the total number of Scheme Shares.

Maximum Scrip Threshold means 20% of the total issued capital of HoldCo as at the Implementation Date.

Minimum Scrip Threshold means 5%, or such lesser percentage as notified by Bidder to Target in writing at least 3 Business Days prior to the date of the Scheme Meeting, of the total issued capital of HoldCo as at the Implementation Date.

Mixed Consideration Option 1 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 75% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 25% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 1.

Mixed Consideration Option 2 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 2.

Mixed Consideration Option 3 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 75% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 3.

Mixed Election Option 1 means an election by a Target Shareholder (other than an Excluded Shareholder) to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Target Shareholder.



Mixed Election Option 2 means an election by a Target Shareholder (other than an Excluded Shareholder) to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Target Shareholder.

Mixed Election Option 3 means an election by a Target Shareholder (other than an Excluded Shareholder) to receive the Mixed Consideration Option 3 for the Scheme Shares held by that Target Shareholder.

Options means the options to acquire Target Shares issued under Target's long term incentives plans as listed in Schedule 3 to the Implementation Deed.

Performance Rights means the performance rights awarded or granted under Target's long-term incentive schemes and employee share schemes as listed in Schedule 3 to the Implementation Deed.

Registered Addresses means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in Target Share Register.

Related Bodies Corporate has the meaning set out in section 50 of the Corporations Act.

Restricted Shares means the restricted Target Shares issued under Target's exempt employee share scheme as listed in Schedule 3 to the Implementation Deed.

Scaleback Mechanism means the scaleback mechanism set out in clause 5.9.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Bidder and Target.

Scheme Booklet means the scheme booklet to be prepared by Target in respect of the Scheme pursuant to section 412 of the Corporations Act to be dispatched to the Target Shareholders and which must include or be accompanied by:

- (a) a copy of this Scheme;
- (b) an explanatory statement complying with the requirements of the Corporations Act, the *Corporations Regulations 2001* (Cth) and ASIC Regulatory Guide 60;
- (c) the Independent Expert's Report;
- (d) a copy or summary of the Implementation Deed;
- (e) a copy of the executed Deed Poll;
- (f) a notice of meeting;
- (g) a proxy form(s); and
- (h) an Election Form.

Scheme Consideration means in respect of a Scheme Shareholder (depending on the Elections made by the Election Date and subject to the Scaleback Mechanism and the terms of this Scheme):

- (a) All Cash Consideration;
- (b) Mixed Consideration Option 1;

- (c) Mixed Consideration Option 2;
- (d) Mixed Consideration Option 3,
- (e) All Scrip Consideration; or
- (f) Custom Consideration.

Scheme Meeting means the meeting of Target Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 7.00 pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.

Scheme Shareholder means a Target Shareholder as at the Scheme Record Date, other than any Excluded Shareholder.

Scheme Shares means all Target Shares held by the Scheme Shareholders as at the Scheme Record Date, and, for the avoidance of doubt, does not include any Target Share held by an Excluded Shareholder as at the Scheme Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

Scrip Consideration means 12.7 HoldCo Shares for each Scheme Share, as adjusted in accordance with clause 5.9(b) of the Implementation Deed (if applicable).

Second Court Date means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the *Personal Property Securities Act 2009* (Cth).

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Share Rights means the rights to Target Shares issued under Target's employee share schemes as listed in Schedule 3 to the Implementation Deed.

Subsidiary has the meaning given in section 9 of the Corporations Act.

Target Equity Incentive means the Options, Share Rights, Performance Rights and Restricted Shares as listed in Schedule 3 to the Implementation Deed.

Target Group means Target and each of its Related Bodies Corporate, and a reference to a 'Target Group Member' or a 'member of the Target Group' is to Target or any of its Related Bodies Corporate.

Target Registry means Link Market Service Limited of Level 12, 680 George Street Sydney, NSW 2000.

Target Share means a fully paid ordinary share in the capital of Target.



Target Share Register means the register of members of Target maintained by the Target Registry in accordance with the Corporations Act.

Target Shareholder means a person who is registered in the Target Share Register as a holder of Target Shares.

Transaction means the acquisition of the Scheme Shares by Bidder through implementation of the Scheme in accordance with the terms of the Implementation Deed.

Trust Account means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by or on behalf of Target as trustee for the Scheme Shareholders (except that any interest on the amount deposited, less bank fees and other charges, will accrue for the benefit of Bidder), details of which Target must notify to Bidder no later than 5 Business Days before the Implementation Date.

1.2 Business Day

If the day on which any act to be done under this Scheme is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this Scheme expressly specifies otherwise.

1.3 Listing Rules are law

A Listing Rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this Scheme.

1.4 Interpretation

In this Scheme headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this Scheme, and a reference to this Scheme includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;

- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to **\$** or **dollar** is to Australian currency;
- (k) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (l) a reference to a date or time is to that date or time in Sydney, Australia; and
- (m) this Scheme (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

2. Preliminary matters

2.1 Target

- (a) Target is a public company limited by shares, incorporated in Australia and registered in the State of New South Wales, Australia.
- (b) Target is admitted to the official list of ASX and Target Shares are officially quoted on the ASX.
- (c) As at the date of the Implementation Deed:
 - (i) 144,060,733 Target Shares were on issue and officially quoted on ASX; and
 - (ii) the following Target Equity Incentives were on issue:
 - A. 479,572 Options;
 - B. 17,665 Share Rights;
 - C. 1,209,842 Performance Rights; and
 - D. 42,891 Restricted Shares.

2.2 Bidder

Bidder is a proprietary company limited by shares, incorporated and registered in the State of New South Wales, Australia.

2.3 HoldCo

HoldCo is an unlisted public company limited by shares, incorporated and registered in the State of New South Wales, Australia.

2.4 Implementation Deed

Bidder and Target have agreed, by executing the Implementation Deed, to implement this Scheme (among other things).



2.5 Deed Poll

The Bidder and HoldCo have agreed, by executing the Deed Poll, to perform their respective obligations under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme.

3. Conditions precedent

3.1 Conditions

This Scheme is conditional on and will have no force or effect (and will not become Effective) unless and until each of the following conditions precedent is satisfied:

- (a) all of the Conditions in clause 3.1 of the Implementation Deed (other than the Condition in clause 3.1(f) of the Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll is terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) this Scheme is approved by the Court under paragraph 411(4)(b) of the Corporations Act, including with such alterations or other conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Target and Bidder in writing (each acting reasonably);
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Target and Bidder in writing (each acting reasonably) are satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) of the Corporations Act (and if applicable, subsection 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Target and Bidder agree in writing).

3.2 Certificate

- (a) Target and Bidder must provide to the Court on the Second Court Date a certificate (signed for and on behalf of Target and Bidder respectively), or such other evidence as the Court may require or request, confirming (in respect of matters within their knowledge) whether or not as at 8.00am on the Second Court Date the conditions in clauses 3.1(a) and 3.1(b) have been satisfied or waived in accordance with the Implementation Deed.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

4. Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

For the purposes of subsection 411(10) of the Corporations Act, Target must lodge with ASIC an office copy of the orders made by the Court under paragraph 411(4)(b) of the Corporations Act approving this Scheme as soon as possible following such approval and, in any event, by no later than 5.00pm on the Business Day on which the Court approves this Scheme (or such later date as is agreed between the parties in writing).

4.2 Consequences of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) in consideration for the transfer of each Scheme Share to Bidder, Bidder and HoldCo will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll;
- (b) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder; and
- (c) Target will enter the name of Bidder in the Target Share Register in respect of all the Scheme Shares.

4.3 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to Bidder providing or procuring the provision of the Scheme Consideration in the manner contemplated by this Scheme, all of the Scheme Shares, together with all rights and entitlements attaching to them at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target or its officers as agent and attorney of the Scheme Shareholders under clause 9.5) by:
 - (i) Target delivering to Bidder a duly completed and executed Scheme Transfer to transfer all of the Scheme Shares to Bidder, executed on behalf of the Scheme Shareholders by Target as their agent and attorney; and
 - (ii) Bidder duly executing such Scheme Transfer and delivering the executed and, if necessary, stamped, Scheme Transfer to Target for registration; and
- (b) as soon as reasonably practicable following receipt of the Scheme Transfer in accordance with clause 4.3(a)(ii), but subject to stamping of the Scheme Transfer (if necessary), Target must enter or procure the entry of, the name of Bidder in the Target Share Register in respect of all the Scheme Shares transferred to Bidder in accordance with this Scheme.

5. Scheme Consideration

5.1 Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:



- (i) the All Cash Consideration;
 - (ii) the Mixed Consideration Option 1;
 - (iii) the Mixed Consideration Option 2;
 - (iv) the Mixed Consideration Option 3,
 - (v) the All Scrip Consideration; or
 - (vi) the Custom Consideration.
- (b) Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.

5.2 Bidder undertakings in relation to Scheme Consideration

Subject to the terms of this Scheme, Bidder undertakes and warrants to Target (in Target's own right and separately as trustee for each of the Scheme Shareholders) that, in consideration of the transfer to Bidder of each Target Share held by a Scheme Shareholder under the terms of this Scheme, on the Implementation Date, Bidder will:

- (a) accept that transfer;
- (b) provide, or procure the provision to, each Scheme Shareholder the Scheme Consideration for each Scheme Share in accordance with:
 - (i) subject to clause 5.3 and any application of the Scaleback Mechanism, any Election made by that Scheme Shareholder as contemplated by clause 5.4;
 - (ii) clauses 5.5 and 5.6; and
 - (iii) the terms of this Scheme; and
- (c) on the Implementation Date:
 - (i) pay, or procure the payment of, to the Trust Account, an amount in cleared funds equal to the Aggregate Cash Consideration; and
 - (ii) subject to clause 5.3, procure the allotment of the Aggregate Scrip Consideration to applicable Scheme Shareholders (either directly or indirectly through the Custodian to be held as bare trustee for those Scheme Shareholders, at the absolute discretion of Bidder), subject to any applicable scaleback in accordance with the Scaleback Mechanism,

in each case in accordance with the terms of this Scheme and the Deed Poll.

5.3 Minimum Scrip Threshold not reached

If the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold:

- (a) Bidder will not:
 - (i) comply with any Elections made on or before the Election Date; or
 - (ii) procure that HoldCo issue any Scrip Consideration to any Scheme Shareholders;

- (b) each Scheme Shareholder who gives an Election on or before the Election Date will be entitled to receive the All Cash Consideration for the Scheme Shares they hold; and
- (c) Bidder must, instead of complying with clauses 5.2(b), and 5.2(c)(ii), by no later than 12pm on the Implementation Date, pay or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Maximum Cash Consideration and will, by doing so, satisfy its obligations under clauses 5.2(b) and 5.2(c)(ii).

5.4 Election mechanism

- (a) Each Target Shareholder (other than Excluded Shareholders and Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with this Scheme to the extent any Target Shareholder (other than Excluded Shareholders and Ineligible Foreign Shareholders) who makes an Election qualifies as a Scheme Shareholder.
- (b) Target must ensure that the Scheme Booklet is accompanied by an Election Form.
- (c) The Election Form must state to the effect that:
 - (i) subject to clause 5.4(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form on or before the Election Date (provided that Bidder may, with the agreement of Target in writing, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Election, and any such decision will be conclusive and binding on Bidder, Target and the relevant Target Shareholder, with Bidder having no obligation to communicate with any Target Shareholder prior to making this determination);
 - (ii) an Election will apply to all of the Target Shares of the Target Shareholder (other than an Excluded Shareholder) as at the Election Date;
 - (iii) once made, an Election may be varied, waived or revoked before the Election Date by notice in writing to Target; and
 - (iv) in the manner considered appropriate by Bidder and Target (acting reasonably), a Target Shareholder (other than an Excluded Shareholder) who holds one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Target Shares (subject to providing to Bidder and the Target any substantiating information they reasonably require). If a Target Shareholder (other than an Excluded Shareholder) does so, it will be treated as a separate Target Shareholder for each such parcel in respect of which a separate Election is made (and for any balance of its holding), provided that if, at the Election Date, it holds fewer Target Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to, any such separate Election (and if so, which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares or otherwise be treated in any other manner that Bidder and Target agree is fair and appropriate.



- (d) Target must ensure that, to the extent reasonably practicable, persons who acquire Target Shares after the date of the dispatch of the Scheme Booklet and up until the Election Date are sent Election Forms upon those persons requesting one from the Target.
- (e) In order to facilitate the issue of the Scrip Consideration (if applicable), Target must provide, or procure the provision, to Bidder:
 - (i) reasonable written updates of the Elections that have been received from Target Shareholders up to the Election Date; and
 - (ii) written details of any final Elections made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder (other than an Excluded Shareholder) who has made an Election on or before the Election Date and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (b) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:
 - (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.8 will apply to any Target Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;
 - (ii) Excluded Shareholders may not make an Election and that any purported Election by such persons will be of no effect;
 - (iii) if a Target Shareholder does not make a valid Election on or before the Election Date, that Target Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder;
 - (iv) Target Shareholders (other than Excluded Shareholders) who make a valid Election on or before the Election Date agree to become members of HoldCo from the Implementation Date and become bound by the HoldCo Constitution and HoldCo SHD from the Implementation Date, pursuant to this Scheme;
 - (v) Target Shareholders (other than Excluded Shareholders) who make an Election on or before the Election Date agree that their Scrip Consideration will be issued to that Scheme Shareholder (either directly or indirectly through the Custodian to be held as bare trustee for those Scheme Shareholders, at the absolute discretion of Bidder), pursuant to and in accordance with the terms of the HoldCo SHD;
 - (vi) Target Shareholders (other than Excluded Shareholders) who make a valid Election on or before the Election Date must provide, before the Election Date, the information and documents described in the Election Form as being required by Bidder or Target; and
 - (i) if the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold, Target Shareholders (other than Excluded Shareholders) who make valid Elections on or before the Election Date will receive the All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder (other than an Excluded Shareholder),

and such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

5.5 All Cash Consideration

- (a) If a Target Shareholder:
 - (i) is an Ineligible Foreign Shareholder; or
 - (ii) does not make a valid Election on or before the Election Date,that Target Shareholder (other than an Excluded Shareholder) will receive the All Cash Consideration for the Scheme Shares held by them.
- (b) All Target Shareholders (other than Excluded Shareholders) will receive the All Cash Consideration for the Scheme Shares held by them if the provisions of clause 5.3 apply.
- (c) If a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent:
 - (i) where the entitlement is to half a cent or more, the fractional entitlement will be rounded up to the nearest whole cent; and
 - (ii) where the entitlement is to less than half a cent, the fractional entitlement will be rounded down to the nearest whole cent.

5.6 Scrip Consideration

If a Target Shareholder (other than an Excluded Shareholder) makes a valid Election on or before the Election Date and clause 5.3 does not apply:

- (a) the Target Shareholder (other than an Excluded Shareholder) will be entitled to receive the Scheme Consideration relevant to their Election (subject to the Scaleback Mechanism and the terms of this Scheme);
- (b) if the number of HoldCo Shares to which that Target Shareholder (other than an Excluded Shareholder) is entitled is not a whole number:
 - (i) where the entitlement is to half a HoldCo Share or more, the number of HoldCo Shares will be rounded up to the nearest whole number; and
 - (ii) where the entitlement is to less than half a HoldCo Share, the number of HoldCo Shares will be rounded down to the nearest whole number; and
- (c) the Scrip Consideration in respect of which the Target Shareholder (other than an Excluded Shareholder) is entitled to will be issued directly to that Scheme Shareholder (such that the Scheme Shareholder will be the legal holder of the relevant Scrip Consideration) or the Custodian to be held as bare trustee for that Scheme Shareholder (at the absolute discretion of Bidder) (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration), pursuant to and in accordance with the terms of the HoldCo SHD.

5.7 Share splitting

If Bidder and Target are of the opinion that a number of Scheme Shareholders and/or other persons (who, to avoid doubt, may include other Scheme Shareholders) have, on or before the Election Date, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or which provides, an advantage by reference to



the rounding as contemplated by clause 5.6(b)(i), Bidder may give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and Registered Address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice will, for the purposes of this Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice will, for the purposes of this Scheme, be taken to hold no Scheme Shares.

5.8 Ineligible Foreign Shareholders

Bidder has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of any Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

5.9 Scaleback Mechanism

If:

- (a) the:
 - (i) Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Date; and
 - (ii) Aggregate Scrip Consideration exceeds the Maximum Scrip Threshold,

then:

- (b) that Scheme Shareholder is entitled to receive:
 - (i) Scrip Consideration as calculated in accordance with the following formula:

$$A = (B \times \text{Scrip Consideration}) \times \left(\frac{C}{D}\right)$$

where:

A = the number of HoldCo Shares to be received by the Scheme Shareholder pursuant to this Scheme;

B = if the Scheme Shareholder:

- (i) has made a Mixed Election Option 1, a number equal to 25% of the Scheme Shares held by the Scheme Shareholder;
- (ii) has made a Mixed Election Option 2, a number equal to 50% of the Scheme Shares held by the Scheme Shareholder;
- (iii) has made a Mixed Election Option 3, a number equal to 75% of the Scheme Shares held by the Scheme Shareholder;

(iv) has made an All Scrip Election Option, a number equal to 100% of the Scheme Shares held by the Scheme Shareholder; or

(v) has made a Custom Consideration Election Option, a number equal to the percentage of that Scheme Shareholder's Scheme Shares in respect of which that Scheme Shareholder will receive Scrip Consideration;

C = the number of HoldCo Shares equal to the Maximum Scrip Threshold; and

D = the Aggregate Scrip Consideration,

plus:

- (ii) the All Cash Consideration for:
 - A. each Scheme Share they hold; *less*
 - B. the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.9(b)(i).

6. Provision of Scheme Consideration

6.1 Provision of Aggregate Cash Consideration

- (a) The obligation of Bidder to provide, or procure the provision of, the Aggregate Cash Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll will be satisfied by Bidder by:
 - (i) depositing, or procuring the deposit, into the Trust Account, of an amount in cleared funds equal to the Aggregate Cash Consideration by no later than 12pm on the Implementation Date to be held by or on behalf of Target on trust for the Scheme Shareholders (provided that any interest on the amount so deposited, less bank fees and other charges, will accrue for the benefit of Bidder); and
 - (ii) providing Target with written confirmation that payment has been made in accordance with clause 6.1(a)(i) above.
- (b) Subject to Bidder complying with its obligations under clause 6.1(a), Target must on the Implementation Date pay, or procure the payment, from the Trust Account to each Scheme Shareholder an amount equal to the Cash Consideration in respect of each Scheme Share held by that Scheme Shareholder as set out in the Target Share Register on the Scheme Record Date.
- (c) Target's obligations under clause 6.1(b) will be satisfied by Target (in its absolute discretion, and despite any election referred to in clause 6.1(c)(i) or authority referred to in 6.1(c)(ii) made or given by the Scheme Shareholder):
 - (i) where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;



- (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Target; or
- (iii) dispatching, or procuring the dispatch of, a cheque in Australian currency for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 6.3).

6.2 Provision of Aggregate Scrip Consideration

- (a) Subject to clauses 5.3, 5.4, 5.7, 5.8 and 6.2(b) and the Scaleback Mechanism, before 12pm (or such other time as Bidder and Target agree in writing) on the Implementation Date, HoldCo must:
 - (i) issue the Scrip Consideration to each Scheme Shareholder who has made a valid Election, or is otherwise deemed to have validly elected, to receive Scrip Consideration in accordance with the Scheme in respect of that Scheme Shareholder's Scheme Shares; and
 - (ii) procure that the name and address of each such Scheme Shareholder is entered into the HoldCo Register in respect of the Scrip Consideration to which it is entitled under the Scheme (either directly or indirectly through the Custodian to hold as bare trustee for the relevant Scheme Shareholders pursuant to and in accordance with the terms of this Scheme and the HoldCo SHD).
- (b) Notwithstanding any other provision of this Scheme, the Scrip Consideration in respect of which a Scheme Shareholder is entitled under clause 5.6(a) may, in Bidder's absolute discretion, be issued to:
 - (i) that Scheme Shareholder directly (such that the Scheme Shareholder will be the legal holder of the relevant Scrip Consideration); or
 - (ii) indirectly through the Custodian to hold as bare trustee for that Scheme Shareholder (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration), pursuant to and in accordance with the terms of the HoldCo SHD.
- (c) Within 5 Business Days after the Implementation Date, HoldCo must send, or procure the sending of, a certificate or other holding statement to each Scheme Shareholder and/or the Custodian (if applicable) who received Scrip Consideration under this Scheme, reflecting the issue of such Scrip Consideration, to their Registered Address or as otherwise validly directed by the relevant Scheme Shareholder or the Custodian (as applicable).

6.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 6.3(c), any Scheme Consideration payable in cash in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Target Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 6.1(c)(ii), in which case

the amount must be deposited directly to the nominated bank account of the joint holders);

- (b) any Scrip Consideration to be issued under this Scheme must be issued to and registered in the names of the joint holders or, if Scrip Consideration is issued to the Custodian to hold as bare trustee for the joint holders (as contemplated by clause 6.2(b)), the joint holders will have joint beneficial ownership of that Scrip Consideration; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Target (or, in the case of clause 6.2(c), Bidder), the holder whose name appears first in the Target Share Register as at the Scheme Record Date or to the joint holders.

6.4 Unclaimed monies

- (a) Target may cancel a cheque issued under clause 6.1(c)(iii) if the cheque:
 - (i) is returned to Target; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 6.4(a) must be reissued.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of *Unclaimed Money Act 1995* (NSW)).

6.5 Treatment of surplus amounts

To the extent that there is a surplus in the amount held by Target as the trustee for the Scheme Shareholders in the Trust Account, that surplus may, at the election of Bidder, either remain with Target or be paid by Target as trustee for the Scheme Shareholders to Bidder following the satisfaction of Target's obligation as the trustee for the Scheme Shareholders under this clause 6.

6.6 Amounts to be withheld or retained

- (a) If written notice is given to Target (or the Target Registry) or Bidder of an order or direction made by a court of competent jurisdiction or another Government Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which amount would otherwise be payable to that Scheme Shareholder by Target in accordance with this clause 6, then Target will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Target from providing consideration to any particular Scheme Shareholder in accordance with clause 6, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Target will be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme



Shareholder multiplied by the Cash Consideration until such time as provision of the Scheme Consideration in accordance with this clause 6 is permitted by that (or another) order or direction or otherwise by law.

- (b) To the extent that amounts are so deducted or withheld in accordance with clause 6.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

7. Dealings in Target Shares

7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Target Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Target Share Register is kept,

and for the purpose of establishing the persons who are Scheme Shareholders, Target will not accept for registration nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title) any transfer or transmission application or other request received after the Scheme Record Date or received prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

7.2 Target Share Register

- (a) For the purposes of determining entitlements to the Scheme Consideration, Target must maintain the Target Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been provided to the Scheme Shareholders. The Target Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) Target must register, or cause to be registered, valid registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 7.1(b) by no later than the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 7.2(b) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a Marketable Parcel).
- (c) Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after the Scheme Record Date, other than to Bidder in accordance with this Scheme.
- (d) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal, purported disposal, agreement or other dealing.

7.3 Information made available to Bidder

As soon as practicable after the Scheme Record Date and in any event at least 3 Business Days before the Implementation Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Share Register as at the Scheme Record Date are available to Bidder in the form Bidder reasonably requires.

7.4 Effect of share certificates and holding statements

- (a) Each entry which is current on the Target Share Register as at the Scheme Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (b) All certificates and statements of holding for Target Shares (other than statements of holding in favour of Bidder and its successors in title) will cease to have effect after the Scheme Record Date as documents of title (or evidence thereof) in respect of those shares and, as from that date, each entry current at that date on the Target Share Register (other than entries in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.

8. Quotation of Target Shares

8.1 Suspension of trading

Subject to the Scheme becoming Effective, Target will apply to the ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date.

8.2 Removal of Target from official list of ASX

On the Business Day immediately following the Implementation Date, Target will apply:

- (a) for termination of the official quotation of Target Shares on the ASX; and
- (b) to have itself removed from the official list of ASX.

9. General Scheme provisions

9.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Target may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented in writing; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Target, by its counsel or solicitors, has consented to in accordance with clause 9.1(a).

9.2 Binding effect of this Scheme

This Scheme binds Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target.



9.3 Agreement of Scheme Shareholders

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, in accordance with terms of this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Bidder, destroy any share certificates or holding statements relating to their Scheme Shares;
- (d) to the extent they are to receive Scrip Consideration, agrees to become a member of HoldCo and to be bound by the terms of the HoldCo Constitution and HoldCo SHD as a 'Rollover Shareholder';
- (e) to the extent they are to receive Scrip Consideration and that Scrip Consideration is issued to the Custodian to hold as bare trustee for that Scheme Shareholder, agrees to be bound by the Custodian Deed (as defined in the HoldCo SHD);
- (f) who holds their Target Shares in a CHESS Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
- (g) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target to the extent of any inconsistency;
- (h) irrevocably consents to Bidder and Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme; and
- (i) who is an Ineligible Foreign Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 5.8 constitutes the satisfaction in full of its entitlement to the Scheme Consideration,

without the need for any further act by the Scheme Shareholder.

9.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Target and Bidder on the Implementation Date, and appointed and authorised Target as its attorney and agent to warrant to Bidder on the Implementation Date that:
 - (i) all Scheme Shares held by that Scheme Shareholder, together all rights and entitlements attaching to those Scheme Shares, which are transferred to Bidder under this Scheme will, at the time of transfer to Bidder, be:
 - A. fully paid;
 - B. free from all Encumbrances and third party rights or interests of any kind; and
 - C. free from all restrictions on transfer of any kind;

- (ii) it has full power and capacity to sell and to transfer their Scheme Shares, together with all rights and entitlements attaching to their Scheme Shares, to Bidder; and
 - (iii) it has no existing right to be issued any Target Shares, Target Equity Incentive, or any other Target equity securities.
- (b) Target undertakes that it will provide the warranty in clause 9.4(a) to Bidder as agent and attorney for each Scheme Shareholder.

9.5 Authority given to Target

- (a) Upon this Scheme becoming Effective, each Scheme Shareholder without the need for any further act:
- (i) irrevocably appoints Target and each of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
 - A. enforcing the Deed Poll against Bidder and HoldCo;
 - B. doing and/or executing all acts, matters, things and documents necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer,

and Target accepts such appointment; and
 - (ii) will be deemed to have authorised Target to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer as agent and attorney of each Scheme Shareholder.
- (b) Target as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

9.6 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to the Scheme Shareholders and until Target registers Bidder as the holder of all Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder as its attorney and agent (and directed Bidder in such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Target, exercise the votes attaching to the Scheme Shares registered in their name and sign any Target shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign or vote on any resolutions, whether in person, by proxy or by corporate representative, other than as pursuant to clause 9.4(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and



- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), Bidder and any director, officer, secretary or agent nominated by Bidder under clause 9.4(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

9.7 Title to Target Shares

Upon the Scheme Consideration being provided to the Scheme Shareholders and until Target registers Bidder as the holder of all Scheme Shares in the Target Share Register, Bidder will be beneficially entitled to all of the Scheme Shares.

10. General

10.1 Stamp duties

Bidder:

- (a) must pay all stamp duties and any related fines and penalties in respect of the transfer of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnifies each Scheme Shareholder against any liability from a failure to comply with clause 10.1(a).

10.2 Consent

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Target or otherwise.

10.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the office of the Target Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 Further acts and documents

Target must do all things and execute all documents necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

10.5 No liability when acting in good faith

Each Scheme Shareholders agrees that neither Target or Bidder, nor any of their respective directors, officers, secretaries, employees or Subsidiary, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

11. Governing law and jurisdiction

11.1 Governing law

This Scheme is governed by the law applying in New South Wales, Australia.

11.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 11.2(a).



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APPENDIX D

Deed poll



Deed poll dated 21 September 2023

By **Eternal Aus BidCo Pty Ltd ACN 669 053 258** of Level 38, South Tower, 80 Collins Street, Melbourne, Victoria 3000 (**Bidder**)

and

Eternal Aus HoldCo Ltd ACN 669 042 782 of Level 38, South Tower, 80 Collins Street, Melbourne, Victoria 3000 (**HoldCo**)

In favour of Each person registered as a holder of fully paid ordinary shares in the capital InvoCare Limited ACN 096 437 393 (**Target**) in the Target Share Register as at the Scheme Record Date, other than any Excluded Shareholder (**Scheme Shareholders**)

Background

- A. Target and Bidder have entered into the Implementation Deed, pursuant to which, amongst other things, Bidder:
- (i) is to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder and acquire all Scheme Shares held by Scheme Shareholders under the Scheme; and
 - (ii) agreed to enter into this deed poll.
- B. Bidder and HoldCo are making this deed poll for the purposes of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to each of them under the Implementation Deed and the Scheme.

It is declared as follows

1. Definitions and interpretation

1.1 Definitions

Unless the context requires otherwise, in this deed poll:

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Implementation Deed means the scheme implementation deed between Target and Bidder, dated 9 August 2023.

Scheme means the proposed members' scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in substantially the same form as set out in Attachment 2 to the Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Bidder and Target in writing.

1.2 Terms defined in the Scheme

Capitalised words and phrases used but not defined in this deed poll have the meaning given to them in the Scheme, unless the context requires otherwise.

1.3 Interpretation

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme form part of this deed poll as if set out in full in this deed poll, except that references to "Scheme" in those clauses will be taken to be references to "deed poll".

1.4 Nature of this deed poll

Bidder and HoldCo acknowledge and agree that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and all of its directors, secretaries and officers (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder and HoldCo.

2. Condition Precedent

2.1 Condition

This deed poll and the obligations of Bidder and HoldCo under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder and HoldCo under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed is terminated in accordance with its terms,

unless Target, Bidder and HoldCo otherwise agree in writing (and, if required, as approved by the Court).

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition to and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and HoldCo are released from their obligations to further perform this deed poll except those obligations under clause 7.6; and
- (b) each Scheme Shareholder retains the rights it has against Bidder and/or HoldCo in respect of any breach of this deed poll which occurs before it was terminated.



3. Scheme Obligations

3.1 Undertaking to be bound by Implementation Deed

Subject to clause 2, Bidder covenants in favour of each Scheme Shareholder to observe and perform all obligations and actions attributed to it under the Implementation Deed, subject to and in accordance with the terms of the Implementation Deed.

3.2 Undertaking to provide Scheme Consideration

Subject to clause 2, each of the Bidder and HoldCo undertake in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake or procure the undertaking of all other actions, and give each acknowledgement, representation and warranty (if any) attributed to either Bidder or HoldCo under the Scheme.

3.3 Status of HoldCo Shares

Bidder and HoldCo undertake in favour of each Scheme Shareholder that the HoldCo Shares which are issued to Scheme Shareholders in accordance with the Scheme will:

- (a) be duly issued, fully paid and free from any Encumbrances and any other third party rights and will have the rights attaching to them as set out in the HoldCo Constitution and HoldCo SHD; and
- (b) rank equally in all respects with each existing HoldCo Share (if any) of the same class then on issue.

4. Warranties

Each of Bidder and HoldCo represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (b) it has the legal right and full corporate power to execute, deliver and enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll constitutes (or will when executed constitute) valid legal and binding obligations on it and is enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with or result in a breach of or default under:
 - (i) its constitution or equivalent constituent documents; or
 - (ii) any writ, order or injunction, judgment, law, rule, obligation or regulation to which it is a party or by which it is bound.

5. Continuing obligations

This deed poll is irrevocable and subject to clause 2 remains in full force and effect, until the earlier of:

- (a) the time at which Bidder and HoldCo have fully performed their obligations under this deed poll; and
- (b) the termination of this deed poll under clause 2.

6. Notices

6.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this deed poll:

- (a) must be given to a party:
 - (i) by hand delivery, courier service, prepaid express post or email; and
 - (ii) using the address or other details for the party set out in the below table (or as otherwise notified by that party to each other party from time to time under this clause 6):

Party name	Attention	Address	Email address
Target	Heidi Aldred, Company Secretary	Level 5, 40 Mount Street, North Sydney, NSW, 2060	heidi.aldred@invocare.com.au
	With a copy to Clayton Utz: Rory Moriarty and Kimberley Grellinger	Level 15, 1 Bligh Street, Sydney NSW 2000	rmoriarty@claytonutz.com kgrellinger@claytonutz.com
Bidder	Nick Kay	Level 38, 80 Collins Street, Melbourne, VIC 3000	nkay@tpg.com
	With a copy to Gilbert + Tobin: Peter Cook, Alex Kauye and Sam Kings		pcook@gtlaw.com.au akauye@gtlaw.com.au skings@gtlaw.com.au
HoldCo	Nick Kay	Level 38, 80 Collins Street, Melbourne, VIC 3000	nkay@tpg.com
	With a copy to Gilbert + Tobin: Peter Cook, Alex Kauye and Sam Kings		pcook@gtlaw.com.au akauye@gtlaw.com.au skings@gtlaw.com.au

- (b) must be in legible writing and in English;
- (c) (in the case of communications other than email) must be signed by the sending party or by a person duly authorised by the sending party;



- (d) (in the case of email) must:
 - (i) state the name of the sending party or a person duly authorised by the sending party and state that the email is a communication under or in connection with this deed poll; and
 - (ii) if the email contains attachments, ensure the attachments are in PDF or other non-modifiable format the receiving party can open, view and download at no additional cost,

and communications sent by email are taken to be signed by the named sender.

6.2 When notice taken to be received

Without limiting the ability of a party to prove that a notice has been given and received at an earlier time, each communication (including each notice, consent, approval, request and demand) under or in connection with this deed is taken to be given by the sender and received by the recipient:

- (a) (in the case of delivery by hand or courier service) on delivery;
- (b) (in the case of prepaid express post sent to an address in the same country) on the second Business Day after the date of posting;
- (c) (in the case of prepaid express post sent to an address in another country) on the fourth Business Day after the date of posting;
- (d) (in the case of email, whether or not containing attachments) the earlier of:
 - (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
 - (ii) receipt by the sender of an automated message confirming delivery; and
 - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing),

provided that:

- (e) the communication will be taken to be so given by the sender and received by the recipient regardless of whether:
 - (i) the recipient is absent from the place at which the communication is delivered or sent;
 - (ii) the communication is returned unclaimed; and
 - (iii) (in the case of email) the email or any of its attachments is opened by the recipient;
- (f) if the communication specifies a later time as the time of delivery then that later time will be taken to be the time of delivery of the communication; and
- (g) if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or

public holiday and on which banks are open for business generally, in the place to which the communication is delivered or sent).

6.3 Notices sent by more than one method of communication

If a communication delivered or sent under this clause 6 is delivered or sent by more than one method, the communication is taken to be given by the sender and received by the recipient whenever it is taken to be first received in accordance with clause 6.2.

7. General

7.1 Amendments

This deed poll may only be amended by another deed poll entered into by Bidder and HoldCo, and then only:

- (a) if before the First Court Date, if the amendment is agreed to by Target in writing; and
- (b) if on or after the First Court Date, if the amendment is agreed to by Target in writing and the Court indicates that the amendment would not preclude approval of the Scheme.

7.2 Assignment

- (a) The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, novated, transferred or otherwise dealt with without the prior written consent of the Bidder and HoldCo.
- (b) Any purported assignment, novation, transfer or other dealing in contravention of clause 7.2(a) of this deed poll is invalid.

7.3 Cumulative rights

The rights, powers and remedies of the Bidder, HoldCo and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

7.4 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

7.5 Joint and several obligations

Bidder and HoldCo are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.



7.6 Stamp duty

Bidder:

- (a) must pay all stamp duties and any related fines and penalties on or in connection with the Scheme and this deed poll and the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to the Scheme; and
- (b) indemnifies each Scheme Shareholder against any liability from a failure to comply with clause 7.6(a) of this deed poll.

7.7 Further assurances

Bidder and HoldCo must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

7.8 Counterparts

This deed poll may be executed in counterparts, all of which taken together constitute one document.

8. Governing law and jurisdiction

8.1 Governing law

This deed poll is governed by the law applying in New South Wales, Australia.

8.2 Jurisdiction

Bidder and HoldCo irrevocably:

- (a) submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waive any objection they may now or in the future have to the venue of any proceedings, and any claim they may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 8.2(a).

Executed and delivered as a deed poll.

Executed by Eternal Aus BidCo Pty Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Nicholas James Kay who is the sole director and sole secretary of Eternal Aus BidCo Pty Ltd



CLAYTON UTZ

Executed by Eternal Aus HoldCo Ltd in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Nicholas Kay

Full name of director

Signature of company secretary/director

Vincent Wong

Full name of company secretary/director



APPENDIX E

HoldCo
Shareholders'
Deed



Shareholders' Deed

Eternal Aus HoldCo Ltd
(ACN 669 042 782)

SYDNEY | MELBOURNE | PERTH

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Date:

Parties

- 1 **Eternal Aus HoldCo Ltd** (ACN 669 042 782) of Level 38, South Tower, 80 Collins Street, Melbourne Victoria 3000 (the **Company**)
 - 2 The persons listed in Schedule 1 (together, the **Initial TPG Shareholders**)
-

Recitals

- A As at the date of this deed, the Initial TPG Shareholders together hold 100% of all of the issued shares in the Company, being only Class A Shares.
- B On 9 August 2023, Eternal Aus BidCo Pty Ltd (ACN 669 053 258) (**Eternal Aus BidCo**), an indirect subsidiary of the Company, entered into a Scheme Implementation Deed (**Scheme Implementation Deed**) with InvoCare Limited (ACN 096 437 393) (**Target**) to acquire all of the ordinary shares in the Target that a TPG Entity does not already own by means of a scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**).
- C The consideration offered by Eternal Aus BidCo to Target shareholders in the Scheme is either all cash, all scrip or a combination of cash and scrip, at the election of Target shareholders, with the scrip consideration being Class B Shares.
- D If the Scheme becomes effective, the Initial TPG Shareholders will subscribe for additional Class A Shares.
- E On 11 September 2023, the Company adopted an amended and restated constitution which, among other things, sets forth the rights, entitlements, liabilities and obligations attached to the Class A Shares, the Class B Shares, the Class C Shares and the Class M Shares.
- F Following implementation of the Scheme, Managers of the Company and its Subsidiaries may be invited to participate in any Management Equity Plan under which Class M Shares in the Company may be issued. The documents for any such Management Equity Plan will include a management securityholders' deed which will regulate the rights and obligations of the Class C Shareholders and the Class M Shareholders in relation to the Group.
- G This deed sets out provisions which regulate the rights and obligations of the Shareholders (this term is defined in this deed to exclude the Class C Shareholders and the Class M Shareholders who will be party to a management securityholders' deed with the Company upon the issuance of any Class C Shares and/or Class M Shares) in relation to the Group.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

1.3 Effectiveness of deed

This deed is conditional on and will not have any force or effect unless and until the Implementation Date.

1.4 Precedence of this deed

Where this deed and the Constitution deal with the same or a similar topic differently:

- (a) this deed prevails in relation to that topic; and
- (b) if a TPG Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove that difference, each other Shareholder must take all necessary steps (as directed by the relevant TPG Shareholder) to amend the Constitution to make the Constitution consistent with this deed.

1.5 Objectives

The primary objectives of the Company are to:

- (a) operate, carry on and grow the Business; and
- (b) maximise the sustainable value of the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with this deed.

1.6 Co-operation by the Non-TPG Shareholders

Each Non-TPG Shareholder undertakes to do or cause to be done all acts within that Non-TPG Shareholder's power and reasonably requested by a TPG Shareholder to give effect to this deed, including the objectives set out in clause 1.5, voting in favour of any resolutions and executing any documents, provided that nothing in this clause 1.6 will require any Non-TPG Shareholder to take any action which is not permitted by applicable law.



2 Business and management of the Company

2.1 Function of the Board

The function of the Board is to govern the management of the Group. Subject to the Corporations Act, the Board may do all things necessary or desirable in connection with this function including:

- (a) determining the overall business strategy and direction for the Group;
- (b) reviewing and approving annual business plans and budgets; and
- (c) determining any other matter in relation to the Group.

2.2 Delegation and management

- (a) The Board will be responsible for the day-to-day management and operation of the Business.
- (b) The Board may delegate to senior management of a Group Company matters which are part of the day-to-day management of the Group. The Board may, in its absolute discretion and at any time, amend, revoke or replace any delegation made to senior management.

2.3 Business Plan and Budget

The Company must ensure that the Group conducts its Business in each Financial Year in accordance with the Business Plan and Budget approved and adopted by the Board for that Financial Year, or as may be amended by the Board from time to time. Any material deviation from or variation to the Business Plan must have prior approval of the Board.

2.4 Shares acquired by a TPG Shareholder

- (a) As specified in the Constitution, any Class B Shares, Class C Shares and/or Class M Shares acquired by a TPG Shareholder will be automatically re-classified as Class A Shares.
- (b) Class A Shares will only be held by a TPG Shareholder (unless otherwise agreed by the TPG Shareholders).

2.5 Variation of class rights

- (a) The rights attaching to the Class B Shares, the Class C Shares and/or the Class M Shares may be varied by the Company by resolution of the Board (a **Share Term Variation**), with the Share Term Variation being effective from the date the applicable resolutions were passed by the Board, so long as each affected Class B Shareholder, Class C Shareholder and/or Class M Shareholder (as applicable) has been given notice of such Share Term Variation within seven days of the resolution of the Board effectuating such Share Term Variation (a **Notice of Variation**).
- (b) Each Class B Shareholder acknowledges that they have consented to and approved any such Share Term Variation, except where the Share Term Variation prejudices the Class B Shareholders in a manner that is materially and adversely disproportionate as compared to the Class A Shareholders, in which case, the

variation of class rights must be approved by Class B Shareholders holding more than 75% of the Class B Shares.

- (c) As specified in the Constitution and clause 2.4(a) of this deed, any Class B Share acquired by a TPG Shareholder will be automatically re-classified as a Class A Share, unless otherwise determined by the TPG Shareholders acquiring such Class B Share.

3 Board

3.1 Minimum and maximum number of Directors

The Board must consist of a minimum of three Directors and a maximum of 10 Directors, unless otherwise determined by the TPG Shareholders.

3.2 Appointment of Directors

- (a) The TPG Shareholders may appoint, remove and replace all Directors to the Board and may also appoint and remove the Chairperson of the Board, in both cases by providing written notice to the Company.
- (b) No other Shareholder, Class C Shareholder or Class M Shareholder has the right to appoint, remove or replace any Director.

3.3 Directors' interests

- (a) A Director is not disqualified from holding any office or place of profit with a TPG Shareholder, a TPG Entity or any of their Affiliates or Related Parties. To avoid doubt, a Director may:
 - (i) be or become a director of or otherwise hold office or a place of profit in any entity promoted by a TPG Shareholder, a TPG Entity or in which a TPG Shareholder or a TPG Entity may be interested; and
 - (ii) contract or make any arrangement with a TPG Shareholder, a TPG Entity or any of their Affiliates or Related Parties.
- (b) A Director who has a material personal interest in a matter that relates to, or may affect, the Business (including a potential dealing or dispute between a Group Company and the Shareholder that appointed the Director (or a Related Party of the Shareholder) (an **Interested Director**)), must comply with any applicable provisions of the Corporations Act relating to disclosure of that interest and any rules or procedures adopted by the Board from time to time.
- (c) An Interested Director may participate in Board discussions and decisions of the Board in relation to matters in which the Interested Director has a material personal interest if:
 - (i) the interest does not need to be disclosed under section 191 of the Corporations Act; or
 - (ii) the Directors who do not have a material person interest in the matter have passed a resolution in accordance with section 195(2) of the Corporations Act.



3.4 Directors acting in interests of nominating Shareholder

Subject to applicable law, a Director:

- (a) may disclose to their nominating Shareholder(s) any information obtained in the Director's capacity as a Director; and
- (b) may act in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s) or its Affiliates and their direct and indirect investors, if any, and a Director will not be in breach of their duties to the Company or any Group Company solely because the Director has regard to or acts in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s) or their Affiliates, or their direct and indirect investors, if any.

3.5 Voting entitlements of Directors

- (a) Each Director is entitled to one vote.
- (b) The Chairperson will have a casting vote.

3.6 Additional votes

- (a) This clause 3.6 applies for so long as there are two or more TPG Directors on the Board.
- (b) Subject to clause 3.3, a TPG Director who is present at a Board Meeting and entitled to vote on a resolution may cast an additional vote for:
 - (i) each other TPG Director who is also present at the meeting but unable to vote on that resolution (including due to a material personal interest);
 - (ii) each other TPG Director who is not present at the meeting; and
 - (iii) each appointment which the same nominating Shareholder is entitled to make under clause 3.2 but has not made.
- (c) Only one TPG Director who is present at a Board Meeting and entitled to vote on a resolution may cast an additional vote or votes under clause 3.6(b).

3.7 Alternate Directors

Each Director may appoint an alternate to represent him or her at meetings of the Board. That person may be appointed by notice in writing to the Company signed by the appointor and that person need not be approved by resolution of the Directors. An alternate director will be entitled to attend and vote at meetings of the Board and to be counted in determining whether a quorum is present, without the need for such alternate to be approved by the Board.

3.8 Observer

The Board may from time to time appoint and remove any person as an observer to the Board. An observer has the right to be notified of and attend Board meetings (and receive copies of all Board papers) but does not have the right to vote nor the right to be counted in a quorum.

3.9 Directors' expenses

- (a) The Company may pay (at its discretion) any Director's fees.
- (b) The Company will reimburse all reasonable travel, accommodation or similar third-party costs and expenses incurred by Directors in attending to the Business of the Group, including attending Board meetings, site visits and major meetings with suppliers or joint venture partners.

3.10 D&O insurance

The Company must, to the fullest extent permitted by law, purchase and maintain insurance for each Director against any liability incurred by the Director as an officer of any Group Company including liability for negligence, and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal on policy terms approved by the Board.

4 Board meetings

4.1 Meetings

- (a) The Board must meet at least four times per Financial Year, unless otherwise determined by the Board.
- (b) A Director may convene a meeting of the Board at any time by notice to the other Directors that is given in accordance with rule 7.9 of the Constitution.

4.2 Quorum

- (a) The quorum for a meeting of the Board (**Board Meeting**) is at least two TPG Directors.
- (b) No business may be transacted at any Board Meeting unless a quorum is present for the duration of the meeting.
- (c) If a quorum is not present within 60 minutes of the time set for the meeting, the meeting is adjourned to the same time and place two Business Days later and notice reconvening the adjourned meeting must be promptly given to all Directors.

4.3 Board decisions

Subject to applicable law and the terms of this deed, all actions or resolutions of the Board will be made by the affirmative vote of a Simple Majority Resolution.

4.4 Circulating resolutions of Directors

The Directors may pass a resolution without a Board Meeting being held if more than half of the Directors entitled to vote on the resolution sign the same document (or a copy of the same document) which was sent to all Directors, containing a statement that they are in favour of the resolution set out in the document. The resolution is taken to have passed on the date that the last Director required to reach the number of Directors to approve such resolution signs the document.



5 Meetings and Resolutions of Shareholders

5.1 Shareholder approvals subject to power of attorney

Each Shareholder (other than the TPG Shareholders) irrevocably appoints the Company as its attorney in accordance with clause 25.1 to take any action or pass any resolution in respect of any matter requiring the approval of those Shareholders under any applicable law, including without limitation in relation to:

- (a) **(Winding up)** the making of an application or the commencement of any proceedings or the taking of any other steps for the winding up, dissolution, deregistration or appointment or administrator of a Group Company, or the entering into by a Group Company of an arrangement, compromise or composition with or assignment for the benefit of its creditors, a class of them or any of them;
- (b) **(Constitution)** the making of any amendment to the Constitution or the modification or abrogation of any rights attached to any class of shares (whether issued or unissued) of the Company;
- (c) **(variation to class rights)** any variation, cancellation or modification to the rights attached to any shares of the Company (unless otherwise specifically permitted by the terms of this deed);
- (d) **(Related party transactions)** any transaction that would require member approval under Chapter 2E of the Corporations Act; and
- (e) **(Buy-back)** any buy-back, redemption, cancellation, reduction of capital or purchase by the Company of shares.

5.2 Quorum

- (a) A quorum for a meeting of Shareholders is constituted by the presence of the TPG Shareholders.
- (b) No business may be transacted at any meeting of Shareholders unless a quorum is present at the commencement of the meeting, except for the adjournment of the meeting.
- (c) If there is not a quorum at a meeting of Shareholders within thirty minutes after the time specified in the notice of meeting, the meeting will stand adjourned to the same day in the following week at the same time and place. If within thirty minutes after the time appointed for the adjourned meeting a quorum is not constituted, the Shareholders present will form the quorum.

5.3 Voting by Shareholders

- (a) Each Shareholder is entitled to that number of votes which is equivalent to the number of fully paid-up Shares held by it.
- (b) Except in the case of any resolution which as a matter of law requires a special resolution, questions arising at a general meeting are to be decided by a majority of votes cast by the Shareholders present at the meeting and any such decision is for all purposes a decision of the Shareholders.

- (c) The Shareholders may pass a resolution without a general meeting being held if Shareholders holding more than half of the Shares entitled to be voted on the resolution sign the same document (or a copy of the same document), which was sent to all Shareholders containing a statement that they are in favour of the resolution set out in the document. If a special resolution is required as a matter of law, then this threshold is Shareholders holding more than three quarters of the Shares entitled to be voted on the resolution. The resolution is taken to have passed on the date that the last Shareholder required to reach the number of Shares voted in favour to approve such resolution signs the document.

6 Audit and reporting obligations

6.1 Information to the TPG Shareholders

- (a) The Company must promptly deliver to, or as directed by, a TPG Shareholder, such financial and other information relating to the Group as a TPG Shareholder may request, including any information required by any financiers or prospective financiers of the Company or the Group.
- (b) The Company must provide to each TPG Shareholder, upon request, full access to:
 - (i) inspect the assets of the Group;
 - (ii) inspect and take copies of documents relating to the Business or the Group; and
 - (iii) discuss the affairs, finances and accounts of the Group with the Group's officers, employees, agents, representatives or contractors and the Auditor.

6.2 Information to Shareholders

- (a) The Company must prepare an annual financial report and directors' report for each Financial Year in accordance with its obligations under Chapter 2M of the Corporations Act.
- (b) If a Shareholder, Class C Shareholder or Class M Shareholder requests a copy of the financial report or directors' report for a given year, the Company must provide that report in accordance with the requirements of section 316 of the Corporations Act.

7 Distributions to Shareholders

7.1 Decision to pay dividend

Subject to the Corporations Act, a decision to pay and the amount of any dividend will be at the sole discretion of the Board.

7.2 Entitlement to dividend

- (a) Class A Shareholders as at the relevant record date will be entitled to receive their Relevant Proportion of any dividend on the Class A Shares declared by the Board.



- (b) Class B Shareholders as at the relevant record date will be entitled to receive their Relevant Proportion of any dividend on the Class B Shares declared by the Board.

7.3 Dividend to be made on a pro rata basis

The Company may not make or pay any dividend or other distribution to Shareholders unless such dividend or other distribution is made on a pro rata basis in relation to the Shares in the relevant class. For the avoidance of doubt, as specified in the Constitution, no dividends or distributions are payable on the Class M Shares.

8 Issue of Shares

8.1 No obligation to provide further funding

Except as otherwise provided in this deed, no Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.

8.2 New Shares

The Company must not issue any Shares, Class C Shares or Class M Shares unless the issue is:

- (a) a permitted issue, as set out in clause 8.3; or
- (b) a pro rata issue, as set out in clause 9.

8.3 Permitted issues

The Company may issue Shares, Class C Shares and/or Class M Shares if the issue is approved by the Board and is:

- (a) **(emergency funding)** to a TPG Shareholder, or an Affiliate of a TPG Shareholder, if the Board determines (acting reasonably) that an injection of funds:
 - (i) is appropriate in order to ensure that a Group Company does not breach (or ceases to breach, or is prevented from breaching, where the Board reasonably believes that a breach is reasonably likely to occur) a covenant or condition of its external finance facilities;
 - (ii) is otherwise required by its external financiers; or
 - (iii) is necessary to ensure that a Group Company does not become insolvent, provided that, if approved by the TPG Shareholders in their sole discretion, the process set out in clause 9 is followed after such injection of funds to give all other Shareholders the opportunity to either subscribe for, or acquire from a TPG Shareholder, Shares, Class C Shares and/or Class M Shares (as applicable) on the same terms, to maintain their Relevant Proportion;
- (b) **(Class A Shares in connection with Scheme)** the issue of Class A Shares to any TPG Shareholder to provide funding to meet transaction costs in connection with the Scheme or to finance the payment of cash consideration under the Scheme to Target shareholders or to repay debts of the Target in place prior to implementation of the Scheme;

- (c) **(Class B Shares in connection with Scheme)** the issue of Class B Shares pursuant to the Scheme in consideration for the transfer of Target shares to a Group Company;
- (d) **(dividend reinvestment plan)** the issue of any class of shares in connection with any dividend reinvestment plan operated by the Company;
- (e) **(Class C Shares)** the issue of Class C Shares to a Manager (or an Affiliate of a Manager), Directors, advisers to and/or employees and/or Affiliates of a TPG Shareholder;
- (f) **(Manager)** an issue of Class M Shares to a Manager pursuant to any Management Equity Plan;
- (g) **(acquisitions/mergers)** an issue of any class of shares (including, for the avoidance of doubt, shares in a new class of shares, including, but not limited to, preference shares) as consideration for, or to raise funding for, a bona fide, arm's length acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by a Group Company;
- (h) **(strategic partners)** an issue of any class of shares to a strategic partner, provided that:
 - (i) the Relevant Proportion of each Class A Shareholder and Class B Shareholder is diluted proportionally; and
 - (ii) immediately following the issue of shares, the TPG Shareholders continue to hold at least 50.1% of all of the issued shares in the Company; and
- (i) **(IPO)** an issue of any class of shares pursuant to an IPO (including a "pre-IPO" issue of shares shortly before an IPO).

8.4 No requirement to prepare disclosure document

Any person's rights to be offered shares and/or to subscribe for shares (whether under this clause 8 or otherwise) are subject to those rights not requiring the Company to issue a disclosure document (including a prospectus) or a product disclosure statement, undertake any registration or filing with any Government Agency or take any comparable action, whether under Chapter 6D or Chapter 7 of the Corporations Act or any comparable legislation in any other jurisdiction, unless the Company (with the Board's approval) agrees otherwise. For the avoidance of doubt, neither the Company nor any other party will be in breach of this document if it fails to offer any shares to any person, or give any notice which would constitute an offer of any shares to any person, in circumstances where such offer or issue of shares would require the taking of any action described in this clause 8.

8.5 Schedules

Notwithstanding clause 24.1 of this deed, following any issuance of shares in accordance with this deed, the Company may (without the consent or approval of any other party to this deed) amend Schedule 1 as necessary to document the details of any new shareholder and the shares issued.



9 Pro rata issue of Shares

9.1 Pro rata offer to Shareholders

The Board may resolve to issue Shares (other than an issue in accordance with clause 8.3), provided that those Shares are offered to all Shareholders in accordance with this clause 9.

9.2 Basis of issue

The Company must ensure that the issue is conducted on the following basis:

- (a) the Company must serve notice on each Shareholder (**Issue Notice**) specifying:
 - (i) terms of issue;
 - (ii) the issue price per new Share;
 - (iii) the total number of new Shares to be issued;
 - (iv) the number and type of new Shares for which the Shareholder would need to subscribe to maintain its Relevant Proportion;
 - (v) the date on which acceptance of the offer must be received by the Company, which shall be no earlier than 3 Business Days after the date of the Issue Notice (**Initial Acceptance Period**); and
 - (vi) the date on which subscription monies for the new Shares must be paid to the Company (being not less than 5 Business Days after the date of the Issue Notice);
- (b) the issue must be for cash and the new Shares are offered on the same terms to each Shareholder on a pro rata basis in their Relevant Proportions in accordance with this clause 9;
- (c) in the event a Shareholder (**Non-contributing Shareholder**) does not take up its entitlement within the Initial Acceptance Period, one or more TPG Shareholders may give notice to the Company and the Non-contributing Shareholder that it wishes to subscribe for those new Shares not taken up, in which case a TPG Shareholder may subscribe for the new Shares not taken up by the Non-contributing Shareholder (and those new Shares will be issued to the relevant TPG Shareholder as Class A Shares);
- (d) the Company may issue any new Shares that are not subscribed for by Shareholders in accordance with clauses 9.2(a) to 9.2(c) to any Shareholder or Shareholders or any Third Party or Third Parties approved by the Board within 180 days of the date of service of the Issue Notice on terms no more beneficial to the subscriber than those set out in the Issue Notice; and
- (e) if the Company does not issue the new Shares within 180 days of the date of service of the Issue Notice, it may not issue those new Shares without first complying again with clause 9.2.

10 Dealing with Shares

10.1 Restrictions on Dealing

- (a) A Non-TPG Shareholder must not Deal with some or all of its Shares unless:
 - (i) the provisions of clause 22 are complied with; and
 - (ii) the Dealing is:
 - (A) expressly permitted or provided for in clauses 10, 11, 12, 13, 14, 15 or 16 of this deed; or
 - (B) undertaken with the prior written approval of the TPG Shareholders.
- (b) Subject to compliance with clauses 12 and 22, a TPG Shareholder may Deal with its Shares without restriction.

10.2 Permitted Transfers

Subject to clause 10.3, the following Dealings may be effected without obtaining the prior written approval of the TPG Shareholders:

- (a) **(Permitted Transferee)** A Non-TPG Shareholder may Transfer all or any of its Shares to a person who is, at the time of Transfer, a Permitted Transferee of that Shareholder.
- (b) **(Pre-existing agreement)** A Non-TPG Shareholder may Transfer all or any of its Shares in accordance with the terms of any agreement between the Company and the Non-TPG Shareholder (among others) entered into prior to the date of this deed.

10.3 Ceasing to be Permitted Transferee

If a person to whom Shares are Transferred under clause 10.2 (**Holder**) ceases to be a Permitted Transferee of the transferor (**Transferor**), unless otherwise permitted by the Board, the Holder must immediately upon ceasing to be a Permitted Transferee:

- (a) Transfer its entire legal and beneficial interest in the relevant Shares back to the Transferor; or
- (b) Transfer its entire legal and beneficial interest in the relevant Shares to another Permitted Transferee of the Transferor.

11 Drag rights

11.1 Right to give Drag Notice

Subject to clause 11.2 and clause 11.3, if one or more TPG Shareholders (each a **Dragging Shareholder**) wishes to sell all or a proportion of its Shares to a Buyer (including by way of IPO), the Dragging Shareholders may give a Drag Notice to some or all of the other Shareholders (each a **Dragged Shareholder**) (with a copy to the Company). For the avoidance of doubt, a TPG Shareholder may exercise its rights under



this clause 11 regardless of whether a TPG Shareholder or the Board has exercised its rights under clause 13 of this deed.

11.2 Contents of Drag Notice

A **Drag Notice** must state:

- (a) the identity of the proposed Buyer (except where the identity of the Buyer is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO);
- (b) the number of Shares proposed to be sold by the Dragging Shareholders and the percentage of the total number of Shares held by the Dragging Shareholders proposed to be sold (the **Drag Proportion**);
- (c) the consideration for each Share to be sold by the Dragging Shareholders;
- (d) the consideration for each Share subject to the Drag Notice, which may be in the form of cash and/or non-cash consideration (the **Drag Price**), provided that:
 - (i) subject to any adjustments the Dragging Shareholders determine are reasonably appropriate for different classes of Shares in the context of the proposed sale, this must be the per Share amount at which the Dragging Shareholders' Shares will be sold (including the same proportions of cash and non-cash consideration, if applicable). In the event that the Drag Price comprises some or all non-cash consideration, such adjustments may include that the Dragged Shareholders only receive cash consideration or receive a higher proportion of cash consideration versus non-cash consideration for their Shares than the Dragging Shareholders; and
 - (ii) if the Drag Price is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO, the Drag Price in the Drag Notice may be a minimum sale price per Share;
- (e) the number of Shares that the Dragging Shareholders require the Dragged Shareholder to sell to the Buyer at the Drag Price per Share, provided that such proportion of the Dragged Shareholder's Shares is not less than the Drag Proportion, even if such Shares are of a different class to the Shares proposed to be sold by the Dragging Shareholders (**Dragged Shares**), and on terms and conditions that are not materially less favourable on an overall basis than the terms contained in the Drag Notice; and
- (f) any other material terms of the proposed sale of Shares to the Buyer.

11.3 Effect of Drag Notice

If a Drag Notice is given (and has not been withdrawn), then:

- (a) each Dragged Shareholder must sell its Dragged Shares to the Buyer on the terms stated in the Drag Notice; and
- (b) the parties must provide all consents and approvals, do all things and execute such documentation as is reasonably necessary or is reasonably required by the Dragging Shareholders to effect the proposed sale to the Buyer (including, if

required by the Dragging Shareholders, converting their Dragged Shares to Class A Shares prior to the sale of the Dragged Shares to the proposed Buyer).

11.4 Withdrawal of Drag Notice

- (a) A Drag Notice may be withdrawn by the Dragging Shareholders at any time by written notice to each holder of Dragged Shares (with a copy to the Company).
- (b) If the Drag Notice is withdrawn, the Dragging Shareholders must give each Dragged Shareholder an Invitation to Tag in respect of the Shares proposed to be sold, if required by clause 12.1.

11.5 Power of attorney

Each Dragged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 to perform its obligations under this clause 11.

12 Tag along rights

12.1 Invitation to Tag

Subject to clause 12.2 and clause 12.3, if the TPG Shareholders intend to sell all of their Shares to a Buyer in a single transaction or series of related transactions and a TPG Shareholder has not (if applicable) issued a Drag Notice pursuant to clause 11 (or has withdrawn such Drag Notice), the TPG Shareholders must give an Invitation to Tag to each Non-TPG Shareholder (**Tagged Shareholders**) (with a copy to the Company).

12.2 Contents of Invitation to Tag

An **Invitation to Tag** must state:

- (a) the identity of the proposed Buyer (except where the identity of the Buyer is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO);
- (b) the number of Shares proposed to be sold by the TPG Shareholders and that this number is the total number of Shares held by the TPG Shareholders at the time of the proposed sale;
- (c) the consideration for each Share to be sold by the TPG Shareholders;
- (d) the consideration for each Share subject to the Invitation to Tag, which may be in the form of cash and/or non-cash consideration (the **Tag Price**), provided that:
 - (i) subject to any adjustments the TPG Shareholders determine are reasonably appropriate for different classes of Shares in the context of the proposed sale, this must be the per Share amount at which the TPG Shareholders' Shares may be sold (including the same proportions of cash and non-cash consideration, if applicable). In the event that the Tag Price comprises some or all non-cash consideration, such adjustments may include that the Tagged Shareholders only receive cash consideration or receive a higher proportion of cash consideration versus non-cash consideration for their Shares than the TPG Shareholders; and



- (ii) if the Tag Price is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO, the Tag Price in the Invitation to Tag may be a minimum sale price per Share;
- (e) that the Tagged Shareholder has an option (**Tag Option**) to direct the TPG Shareholders to include in the sale to the Buyer all of the Tagged Shareholder's Shares at the time of the proposed sale (the **Tagged Shares**) at the Tag Price per Share and on terms and conditions that are not materially less favourable on an overall basis than the terms contained in the Invitation to Tag. Any securities to be issued to the TPG Shareholders and the Tagged Shareholders as consideration for any Transfer of Shares under this clause 12 must be the same class, including with the same economic and voting rights;
- (f) the period during which the Tag Option may be exercised, which must not be less than 10 Business Days from the date of the Invitation to Tag; and
- (g) any other material terms of the proposed sale to the Buyer.

12.3 Exercise of a Tag Option

- (a) A Tag Option may be exercised by a Tagged Shareholder by notice in writing to the TPG Shareholders (with a copy to the Company) within the exercise period stated in the Invitation to Tag.
- (b) Any exercise of a Tag Option must be for all Tagged Shares and is irrevocable. Unless the Tagged Shareholders agree otherwise, the TPG Shareholders may not sell any of their Shares to the Buyer pursuant to the offer to which the Invitation to Tag relates if the Buyer does not agree to purchase all of the Tagged Shareholders' Shares.

12.4 Effect of exercise of Tag Option

If a Tagged Shareholder exercises its Tag Option:

- (a) the Tagged Shareholder must sell all Tagged Shares to the Buyer on the terms stated in the Invitation to Tag;
- (b) the parties must do all things and execute such documentation as is reasonably necessary or is reasonably required by the TPG Shareholders to effect the proposed sale to the Buyer (including, if required by the TPG Shareholders, the conversion of the Tagged Shares to Class A Shares), subject to the sale agreement complying with the provisions of clause 12.4(d);
- (c) the TPG Shareholders must not complete the proposed sale to the Buyer unless at the same time, the Buyer offers to buy all the Tagged Shares of each Tagged Shareholder for which a valid notice of exercise has been provided on the terms stated in the Invitation to Tag; and
- (d) the TPG Shareholders may require each Tagged Shareholder (and their Representative) to give reasonable representations, warranties, indemnities and restrictive covenants under any agreements relating to the purchase of such Tagged Shares, the Business or the Group, provided that:
 - (i) such representations, warranties, indemnities and restrictive covenants are given on an equivalent basis to those given by the TPG Shareholders;

- (ii) such representations, warranties, indemnities and restrictive covenants are given on a several (but not joint) basis; and
- (iii) the liability of each Tagged Shareholder (and its Representative, if applicable) arising from a breach of any such representations and warranties is limited to the proportion of the consideration actually received by the Tagged Shareholder (and its Representative, if applicable).

12.5 Power of attorney

Each Tagged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 to perform its obligations under this clause 12.

13 Exit Events

13.1 Exit Process

- (a) The TPG Shareholders may, at any time, require the Company to commence, or procure that another Group Company commences, a process to determine whether an Exit Event can be achieved on terms acceptable to the TPG Shareholders (**Exit Process**).
- (b) The TPG Shareholders will determine all matters related to the conduct and execution of the Exit Process, including:
 - (i) the structure of the Exit Process;
 - (ii) the advisers, consultants and experts to be engaged in connection with the Exit Process (including, if applicable, one or more underwriters or lead managers, co-lead managers, co-managers and brokers for an IPO), and the terms of engagement of such advisers, consultants and experts;
 - (iii) the timetable for the Exit Process; and
 - (iv) the terms of any Exit Event (including the valuation of the Company implied by such Exit Event).

13.2 Obligations in connection with an Exit Event

- (a) In connection with an Exit Event, each Non-TPG Shareholder must:
 - (i) co-operate in good faith with the other Shareholders and the Company in connection with an actual or potential Exit Event (whether arising from an Exit Process or otherwise and, for the avoidance doubt, including an actual or potential Exit Event to which a Drag Notice or an Invitation to Tag relates);
 - (ii) use reasonable efforts and promptly take all action within its power to facilitate and/or implement any actual or potential Exit Event in accordance with the directions of the Company or the TPG Shareholders (including by promptly providing such information as may be requested by the Company or the TPG Shareholders);
 - (iii) act in good faith to rollover a portion of their Shares or reinvest a portion of their proceeds of the Exit Event in connection with any IPO or, with any



rollover or reinvestment amount to be determined by the TPG Shareholders having regard to appropriate factors at the time, including the advice of the underwriters, joint lead managers and financial advisers (as applicable);

- (iv) act in good faith to sell down or retain on an IPO such interests in the Company (or the entity being listed which may be a new holding company), as determined by the TPG Shareholders having regard to appropriate factors at the time, including the advice of the underwriters, joint lead managers and financial advisers (as applicable);
- (v) give all reasonable undertakings and enter into any reasonable escrow arrangements in relation to their Shares as may reasonably be required by the relevant Securities Exchange or underwriters or brokers to an IPO (provided such escrow arrangements are no less favourable than those agreed to by the TPG Shareholders);
- (vi) if recommended by the underwriters, joint lead managers or financial adviser in relation to an IPO, do all things reasonably necessary to effect a change in the number and mix of Shares issued by the Company (or another Group Company);
- (vii) assist the Company in preparing a prospectus, information memorandum, or similar disclosure document;
- (viii) do all things reasonably necessary to obtain requisite Securities Exchange and shareholder approvals;
- (ix) enter into an underwriting or offer management agreement or similar agreement on market terms;
- (x) provide all reasonable assistance for marketing activities, including road shows;
- (xi) approve or agree to (including by executing documents) certain matters, such as:
 - (A) confidentiality restrictions;
 - (B) such covenants, warranties, indemnities and undertakings as are given or agreed to be given by the TPG Shareholders;
 - (C) the conversion of the Company to a listed public company in connection with an IPO;
 - (D) the change of a Group Company's name;
 - (E) the incorporation of a new holding company and the exchange of Shares for securities in that new holding company;
 - (F) the adoption of a new constitution for a Group Company or a new holding company;
 - (G) the entry into a shareholders' agreement for the Company or a new holding company on similar terms;

- (H) amendments to this deed to the extent required to facilitate or implement an Exit Event;
- (I) changes to the share capital of the Company or a new holding company (including as a result of the issue of securities), and other restructure or preparatory steps (including the transfer of assets of the Group); and
- (J) the transfer of Shares or securities; and
- (xii) take all actions reasonably required by the Company in order to affect a buyback, exchange or conversion of some or all of its Shares (which may involve the exchange of Shares in the Company for securities in a different entity which may be listed),

in each case to achieve an Exit Event on the terms and structure identified by the Board.

- (b) Without limiting clause 13.2(a), each Shareholder acknowledges and agrees that an Exit Event may not necessarily involve all Shareholders having the right or ability to realise cash for its Shares as part of the Exit Event and, to the extent that an Exit Event does allow it to realise cash for some or all of its Shares, it may not be on the same terms as the TPG Shareholders (including any escrow restrictions).

13.3 Company's obligations

Without limiting the generality of clause 13.2, the Company must:

- (a) pay the costs of preparing the prospectus (or other relevant offer document), advisory fees, underwriting commissions (if any), expenses of due diligence investigations, Securities Exchange fees, fees of the relevant regulatory authorities, legal fees, expert's fees, printing expenses and postage expenses; and
- (b) use its best endeavours to satisfy all terms and conditions of admission to listing imposed by the Securities Exchange.

13.4 Power of attorney

In consideration of each Shareholder entering into this deed, a Shareholder that has received a notice from the Board requiring an action contemplated under clause 13.2 in connection with the Exit Event irrevocably appoints the Company to be its attorney in accordance with clause 25.1 to perform its obligations under clause 13.2

14 Default

14.1 Events of Default

- (a) A Non-TPG Shareholder becomes a **Defaulting Shareholder** and it is an **Event of Default** if:
 - (i) such Non-TPG Shareholder (or any other Shareholder who is an Affiliate thereof) commits a breach of clause 10, and:



- (A) a TPG Shareholder or the Company gives written notice of such breach to the Non-TPG Shareholder who committed the breach; and
 - (B) the Non-TPG Shareholder who committed such breach does not remedy the breach within 10 Business Days after the date of the notice given under clause 14.1(a)(i)(A);
 - (ii) such Non-TPG Shareholder (or any other Shareholder who is an affiliate thereof) is or becomes prohibited by law from holding Shares; or
 - (iii) there is a change in the person(s) having Control of that Non-TPG Shareholder (or any other Shareholder who is an Affiliate thereof).
- (b) For the avoidance of doubt, a TPG Shareholder may not become a Defaulting Shareholder under this deed.

14.2 Suspension of rights

The voting, approval and consent rights of a Defaulting Shareholder are suspended until the process contemplated by clause 14.8 has been completed.

14.3 Referral to Event of Default Auditor

If an Event of Default occurs, then the Company may appoint an Event of Default Auditor to determine the value of the Defaulting Shareholder's Shares on a per Share basis (**Default Value**) and in accordance with such methodology as the Event of Default Auditor considers appropriate in the circumstances.

14.4 Event of Default Auditor is independent expert

The Event of Default Auditor will act as an independent expert and not as an arbitrator when determining the Default Value.

14.5 Event of Default Auditor's Certificate

- (a) The Event of Default Auditor must be instructed to issue a certificate (**Event of Default Auditor's Certificate**) specifying the Default Value as soon as practicable (and, in any event, within 20 Business Days) after the Event of Default Auditor's appointment.
- (b) The Event of Default Auditor's Certificate is final, conclusive and binding on each party and is not subject to review or appeal except in the case of manifest error.

14.6 Information to assist the Event of Default Auditor

Each Shareholder and the Company must provide all information and assistance reasonably requested by the Event of Default Auditor in determining the Default Value.

14.7 Costs of Event of Default Auditor

The Defaulting Shareholder must pay the Event of Default Auditor's costs. Such costs may be set-off against any payment which the Defaulting Shareholder is entitled to receive under clause 14.8(d) (in the discretion of the Company).

14.8 Offer of Default Shares

- (a) Within 5 Business Days after the Event of Default Auditor's Certificate has been issued, the Company must, as attorney for and on behalf of the Defaulting Shareholder, offer the Defaulting Shareholder's Shares (**Default Shares**) to the TPG Shareholders by written notice specifying:
- (i) the number of Default Shares;
 - (ii) the sale price for the Default Shares on a per Default Share basis, which must be equal to 80% of the Default Value (**Default Sale Price**);
 - (iii) the deadline for acceptance of the offer, which must be no earlier than 10 Business Days after the date on which the offer is made (**Default Acceptance Deadline**); and
 - (iv) the completion date for the sale of Default Shares, which must be no earlier than 20 Business Days after the Default Acceptance Deadline, unless the TPG Shareholders agree otherwise (**Default Completion Date**).
- (b) One or more TPG Shareholders (or a nominee) may accept the offer made to them under 14.8(a) in respect of some or all of the Default Shares by written notice to the Company prior to the Default Acceptance Deadline. If a TPG Shareholder (or a nominee) has not accepted the offer by the Default Acceptance Deadline, then the offer will be deemed to have been rejected.
- (c) The TPG Shareholders (or a nominee) will be allocated such number of Default Shares as specified in the acceptance (if any) delivered to the Company in accordance with clause 14.8(b). If such number of Default Shares is less than the total number of Default Shares, then the Board may allocate the remaining Default Shares to one or more Third Parties (each, a **Default Third Party Purchaser**).
- (d) On or before the Default Completion Date:
- (i) the TPG Shareholders (or a nominee) must pay the Defaulting Shareholder the Default Sale Price for each of the Default Shares allocated to the TPG Shareholders (or a nominee) pursuant to clause 14.8(c);
 - (ii) the Company must deliver to the TPG Shareholders (or a nominee) a proper instrument of transfer for the Default Shares allocated to the TPG Shareholders (or a nominee) pursuant to clause 14.8(c), duly executed by the Defaulting Shareholder or an Attorney for and on behalf of the Defaulting Shareholder (as transferor);
 - (iii) if applicable, and subject to a Default Third Party Purchaser paying the Default Sale Price for each of the Default Shares allocated to it under clause 14.8(c) (or such higher price as may be agreed with that Default Third Party Purchaser), the Company must deliver to that Default Third Party Purchaser a proper instrument of transfer for those Default Shares, duly executed by the Defaulting Shareholder or an Attorney for and on behalf of the Defaulting Shareholder (as transferor); and
 - (iv) the Defaulting Shareholder must deliver to the Company all certificates and other documents evidencing title to the Default Shares allocated pursuant to clause 14.8(c) or (if applicable) written confirmation in a form acceptable to



the Company that such certificates or other documents have been lost or destroyed (it being acknowledged that such written confirmation may include an indemnity in favour of the Company and/or the TPG Shareholders (or a nominee) and/or any one or more Default Third Party Purchasers).

14.9 Power of Attorney

Each Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 to perform its obligations under clause 14.6.

15 Compulsory transfer

15.1 Compulsory acquisition

- (a) At any time after the end of the date which is one year after the implementation of the Scheme, one or more TPG Shareholders (in such capacity, the **Acquiring Shareholders**) may give written notice (**Compulsory Acquisition Notice**) to the Company stating that they wish to acquire any or all of the Small Holdings of the Class B Shareholders (**Small Shareholders**) at Fair Value and setting out any other terms applying to the acquisition (including the proposed settlement date).
- (b) Subject to clause 15.1(c), following delivery of the Compulsory Acquisition Notice to the Company:
 - (i) the Acquiring Shareholders must pay or transfer to the Company the amount or other consideration representing the price payable by the Acquiring Shareholders for the Shares held by the Small Shareholders in accordance with the terms set out in the Compulsory Acquisition Notice;
 - (ii) the Company must, upon receipt of the consideration under clause 15.1(b)(i), register the Acquiring Shareholders as the holders of the Shares held by the Small Shareholders; and
 - (iii) the Company must deposit proceeds received under 15.1(b)(i) into a separate bank account (which proceeds are held on trust by the Company for the Small Shareholders) and must remit the proceeds to the Small Shareholders as soon as practicable.
- (c) The Acquiring Shareholders may agree that, instead of the Acquiring Shareholders acquiring the Shares held by the Small Shareholders, the Company will acquire those Shares by way of buy-back or cancellation, as directed by the Company by notice to the Small Shareholders.

15.2 Other remedies

The rights and remedies contained in this clause are in addition to and not to the exclusion of any other rights or remedies that a party may have against a party in default of this deed.

15.3 Authorisations

Each Non-TPG Shareholder must do all things necessary to ensure that the Company or the TPG Shareholders (as relevant) may acquire any Shares as contemplated by this clause 15, including by taking any action or signing any document as required by the TPG

Shareholders (in the case of compulsory transfer) or the Company (in the case of a buy-back or cancellation).

15.4 Power of attorney

Each Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 to perform its obligations under this clause 15.

16 Nominee arrangements

16.1 Interpretation

In this clause the following definitions apply unless the context otherwise requires:

Expense means any liability, cost, expense, loss or damage.

Nominee Indemnity Provision means clauses set out in the Nominee Deed in relation to the matters set out in clauses 16.10(d) and 16.10(e) of this deed.

Obligations means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Nominee under or in respect of this deed or the Nominee Deed.

Overhead Cost means overhead expenses, including rent, office maintenance and salaries.

Relevant Trust has the meaning given in clause 16.10(b).

16.2 Public company status and number of shareholders

Despite any other provision in this deed, but subject to clause 16.2(e):

- (a) the Company must not take any action (including to issue, redeem, or buy-back Shares), if, following such action, the Company would not continue to qualify as a public company limited by shares as defined under section 112 of the Corporations Act;
- (b) a Shareholder must not (nor may it attempt to) Transfer all or any of its Shares, and must ensure that its interest in Shares held through a holding trust or other interposed vehicle is not Transferred, if, following such Transfer, the Company would have more than 50 members;
- (c) the Company may, in its sole discretion, including after becoming aware of any actual or pending event or circumstances that could result in the Company having more than 50 members:
 - (i) notify all of the Shareholders of such event or circumstances (if applicable); and
 - (ii) appoint a Nominee to hold the Class B Shares of all Class B Shareholders;
- (d) following appointment of a Nominee under clause 16.2(c)(ii), each relevant Class B Shareholder:



- (i) must comply with the directions of the Company; and
- (ii) agrees to irrevocably appoint the Company as its attorney in accordance with clause 25.1,

for the purposes of facilitating the transfer of its Shares to the Nominee in accordance with this clause 16 and arranging execution of the Nominee Deed by the Company on behalf of each relevant Class B Shareholder; and

- (e) clauses 16.2(a) and 16.2(c) have no application to any Transfer of Shares in connection with implementation of an Exit Event (excluding paragraph (b) of that definition).

16.3 General

- (a) The parties acknowledge that following appointment of a Nominee under clause 16.2, it is the parties' intention that Beneficial Holders:
 - (i) have rights and obligations under this deed that are in effect equivalent to those of Shareholders; but
 - (ii) do not hold legal title to Shares and are instead Beneficial Holders in relation to Shares held by the Nominee as bare trustee on their behalf as contemplated by the Nominee Deed.
- (b) The provisions in this clause 16 (subject to any changes reasonably required by the Nominee and accepted by the Company) apply in these cases.
- (c) To the extent that the provisions of this clause 16 require amendment under clause 16.3(b) following appointment of a Nominee, the Board may, subject to clause 16.4, amend this clause 16 (and make any additional necessary consequential changes to this deed) if the amendment has been approved by Simple Majority Resolution.

16.4 Conversion and termination provisions

The Company must ensure that the Nominee Deed contains "conversion and termination provisions" (as that term is defined in *ASIC Corporations (Stub Equity in Control Transactions) Instrument 2020/734*). Such provisions may only be amended by Special Resolution of Beneficial Holders.

16.5 Beneficial Holders

- (a) If the Nominee is the registered holder of Shares, for the purposes of any references in this deed to the Shareholder's Shares, or to Shares held by the Shareholder (or any similar expression), the Beneficial Holder is to be regarded as holding its Beneficial Shares. For the avoidance of doubt (but without limitation):
 - (i) in the context of any requirement that an act be approved by Shareholders holding at least a given percentage of all Shares, Beneficial Holders are to be treated as holding their Beneficial Shares; and
 - (ii) a requirement that a Shareholder maintain a minimum shareholding applies in relation to a Beneficial Holder by reference to the number of its Beneficial Shares;

- (b) The Nominee is not itself to be regarded for the purposes of this deed as a 'Shareholder' in respect of, or to otherwise hold, Shares which it holds as bare trustee for Beneficial Holders.
- (c) Clauses 16.5(a) and 16.5(b) do not apply in relation to clause 7. The parties recognise that the Nominee, as registered owner of the Shares it holds on behalf of the Beneficial Holders, is the person legally entitled to voting rights (if any) and dividends in respect of those Shares and that the Nominee is to be regarded as the relevant 'Shareholder' (to the exclusion of the relevant Beneficial Holders) for the purposes of clause 7. However, the parties acknowledge:
 - (i) instructions may be given by each Beneficial Holder to the Nominee under the Nominee Deed in relation to voting and other dealings in respect of the Beneficial Holder's Beneficial Shares; and
 - (ii) directions may be given by each Beneficial Holder to the Nominee in relation to dividends as provided in clause 16.8 below.
- (d) If the Nominee is the registered holder of Shares, obligations on Shareholders to exercise voting rights or take other steps as registered holder of Shares are to be interpreted as obligations to ensure that the Nominee takes the relevant steps at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder, acting under power of attorney, or otherwise.
- (e) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.
- (f) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.

16.6 Dealings in Shares

- (a) Clause 10 applies so that (for the avoidance of doubt) restrictions on Dealings with the Shareholder's Shares include any dealings in the beneficial interest in Beneficial Shares and any dealings in the legal title to those Shares by the Nominee (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder acting under power of attorney, or otherwise).
- (b) Where this deed contemplates the sale, purchase or transfer of some or all of a Shareholder's Shares and the Nominee is the registered holder of Shares, the relevant provisions apply so that references to the sale, purchase or transfer of the Shareholder's Shares are to be construed as references to:
 - (i) the sale, purchase or transfer of Beneficial Shares; and
 - (ii) (without limiting clause 16.7 below in circumstances where the Nominee is to retain legal title to the relevant Shares) the Shareholder procuring the concurrent transfer of legal title in those Beneficial Shares by the Nominee,

and obligations on Shareholders to offer Shares for sale, purchase, or transfer are to be construed in a corresponding manner.



- (c) In the context of a transferor who is a Beneficial Holder, the relevant Share transfer form must be executed by the Nominee as registered holder.
- (d) Where this deed permits any party to issue, transfer or sell Shares to any person, that includes permission to issue, transfer or sell Shares to the Nominee as bare trustee for the relevant person.
- (e) The restrictions on transfer in this deed do not apply to prevent the transfer of bare legal title in Shares held by the Nominee as bare trustee for Beneficial Holders to a replacement trustee, as contemplated by the Nominee Deed.
- (f) Each Class B Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 on default by it of performance of its obligations under this clause 16.6.

16.7 Legal title to remain with Nominee

- (a) The Nominee must not, without the consent of the Board, act on a direction to the Nominee to Transfer (or otherwise procure the Transfer of) legal title to any Beneficial Shares to a Beneficial Holder.
- (b) Unless the Board agrees otherwise in writing, the Nominee may transfer Beneficial Shares to a Permitted Transferee of a Beneficial Holder under clause 10.2 on the basis that the Nominee is directed to hold legal title to the relevant Shares as bare trustee on behalf of the transferee (i.e. the Shareholder may only transfer the beneficial interest in its Beneficial Shares without a transfer of legal title).
- (c) If the Nominee becomes entitled to receive any additional Shares on behalf of a Beneficial Holder, whether by way of issue or transfer (and whether under this deed or otherwise), then unless the Company has consented to another holding arrangement in relation to the relevant transaction, the issue or transfer must be made in favour of the Nominee on the basis that the Shares are to be held by the Nominee as bare trustee for the relevant Beneficial Holder.
- (d) In relation to issues of Shares:
 - (i) an offer to the Nominee to participate in an issue of Shares or other equity securities on the basis that legal title to the relevant Shares will be issued to the Nominee as bare trustee for the Beneficial Holder will not be regarded for that reason alone as being on different terms from the terms offered to other Shareholders in circumstances where other Shareholders will receive legal and beneficial ownership; and
 - (ii) clauses 8 and 9 apply in relation to an issue of Shares to the Nominee as bare trustee for a Beneficial Holder by reference to the ability of the Company to make an offer of the beneficial interest in the Shares to the relevant Beneficial Holder.
- (e) The Nominee must ensure that each Beneficial Holder gives all necessary directions to the Nominee to ensure compliance with this clause 16.7.
- (f) Each Class B Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.1 on default by it of performance of its obligations under this clause 16.7.

16.8 Dividends

- (a) The parties acknowledge that the Nominee Deed entitles a Beneficial Holder to act as the Nominee's attorney in relation to the matters stated in the Nominee Deed, including giving directions to the Company in respect of the payment of dividends.
- (b) The Nominee may direct the Company to pay dividends in respect of Shares which are Beneficial Shares directly to the Beneficial Holder. This clause does not affect the right of any party to change the direction from time to time.

16.9 Indemnity and liability of Nominee

- (a) Pursuant to the terms of the Nominee Deed, the Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this deed, act on the direction of the Beneficial Holders under a power of attorney or otherwise, to the intent that each Beneficial Holder exercises day-to-day control over the operation of the trust under which its Beneficial Shares are held.
- (b) The parties acknowledge that each Beneficial Holder will be bound by the terms of the Nominee Deed which contemplate that the Beneficial Holder:
 - (i) indemnifies the Nominee for or in respect of any Expense which the Nominee pays, suffers, incurs or is liable for arising out of or in connection with; and
 - (ii) covenants with the Nominee not to claim, sue or take any action against the Nominee in relation to,

anything done by the Nominee at the direction of or on behalf of the Beneficial Holder, or by reason of the Beneficial Holder's Beneficial Shares being registered in the name of the Nominee.

- (c) The indemnity and covenant in clause 16.9(b) does not apply to:
 - (i) any Expense which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this deed or the Nominee Deed or breach of trust;
 - (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or
 - (iii) the extent that the Nominee is entitled to recover and is indemnified for any such Expenses or Overhead Costs by the Company under the terms of the Nominee Deed or from the assets of the relevant trust under the terms of the Nominee Deed.
- (d) Each party acknowledges that the Nominee is obliged to act in accordance with the directions of the Beneficial Holders in relation to their respective Beneficial Shares. Any breach of this deed that arises out of the Nominee complying with a direction given by a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares (**Directed Breach**) is to be construed for all purposes as a breach by the relevant Beneficial Holder and not by the Nominee, and, without limitation:



- (i) the Nominee is released from any claim, action, demand, suit or proceeding for damages, debt, specific performance or any other remedy in respect of any Directed Breach; and
 - (ii) each party (other than the Nominee) covenants not to claim, sue or take any action against the Nominee in respect of any Directed Breach.
- (e) Each indemnity given by a Beneficial Holder referred to in this clause 16.9:
- (i) is an additional, separate and independent obligation of the Beneficial Holder and no one indemnity limits the generality of any other indemnity; and
 - (ii) survives termination of this Deed and the Nominee Deed.

16.10 Limitation of Nominee's liability

- (a) This limitation of the Nominee's liability applies despite any other provisions of this deed and extends to all Obligations of the Nominee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (b) Subject to clauses 16.10(h) and 16.10(i), the Nominee will be bound by this document only in its capacity as trustee of each trust created under the Nominee Deed (each a **Relevant Trust**) and in no other capacity.
- (c) Subject to clauses 16.10(h) and 16.10(i) the parties (other than the Nominee) acknowledge that the Nominee incurs the Obligation solely in its capacity as trustee of each Relevant Trust and that the Nominee will cease to have any Obligation under this deed which arises after the time the Nominee ceases to be a legal holder of the relevant Beneficial Shares as trustee of the Relevant Trust.
- (d) Subject to clauses 16.10(h) and 16.10(i), the Nominee will not be liable to pay or satisfy any Obligations except to the extent that the Nominee is actually indemnified under the Nominee Indemnity Provisions or to the extent that and at the time the Nominee would, if the Nominee exercised its entitlement to be indemnified in respect of that liability under the Nominee Indemnity Provisions.
- (e) Subject to clauses 16.10(g) and 16.10(i), the parties (other than the Nominee) may enforce their rights against the Nominee arising from the non-performance of the Obligations only to the extent of the Nominee's right to be indemnified under the Nominee Indemnity Provisions.
- (f) Subject to clauses 16.10(h) and 16.10(i), if a party (other than the Nominee) does not recover all money owing to it arising from the non-performance of the Obligations, it may not seek to recover the shortfall by:
 - (i) bringing proceedings against the Nominee in its personal capacity; or
 - (ii) applying to have the Nominee put into administration or wound up or applying to have a receiver or similar person appointed to the Nominee or proving in the administration or winding up of the Nominee.
- (g) Subject to clauses 16.10(h) and 16.10(i), each party (other than the Nominee) waives its rights and releases the Nominee from any personal liability whatsoever, in respect of any loss or damage:

- (i) which it may suffer as a result of any:
 - (A) breach by the Nominee of any of its Obligations; or
 - (B) non-performance by the Nominee of the Obligations; and
 - (ii) which cannot be paid or satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions.
- (h) The parties acknowledge that the whole of this deed is subject to this clause 16.10 and that the Nominee shall in no circumstances be required to satisfy any liability of the Nominee arising under, or for non-performance or breach of any Obligations out of any funds, property or assets other than the proceeds of the indemnities given under the Nominee Indemnity Provisions as and when they are available to the Nominee to be applied in exoneration for such liability provided that, subject to clause 16.10(i), if the liability of the Nominee arising under, or for non-performance or breach of any Obligations is not fully satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions due to the negligence, breach of any obligations under the Nominee Deed or breach of trust (excluding any breach that arises as a result of any fraud, dishonesty or wilful misconduct) by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts, the Nominee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability, but will not be liable to pay an amount that is greater than the amount that the Nominee would have been able to recover under the Nominee Indemnity Provisions in relation to the relevant liability if its right to be indemnified under the Nominee Indemnity Provisions had not been prejudiced.
- (i) Clause 16.10(b) to 16.10(h) do not apply to any damages suffered by or amounts owing to another party which result from a breach or non-performance of an Obligation by the Nominee to the extent that those damages or amounts owing are not satisfied because the right of the Nominee to be indemnified under the Nominee Indemnity Provisions is prejudiced as a result of any fraud, dishonesty, or wilful misconduct by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts.
- (j) The parties (other than the Nominee) agree that no act or omission of the Nominee (including any related failure to satisfy any Obligations) will constitute fraud, negligence, breach of trust, breach of any obligations under the Nominee Deed, dishonesty or wilful misconduct of the Nominee or of any of its officers, employees or agents for the purposes of this clause 16.10 to the extent to which the act or omission was caused or contributed to by any failure of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee or agent of the Nominee) to fulfil its obligations relating to the Relevant Trusts or by any other act or omission of a party to this deed (other than the Nominee) or any other person (other than an officer, employee, or agent of the Nominee).
- (k) No attorney, agent, or other person appointed in accordance with this document has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability (except in accordance with the provisions of clause 16.10) and no act or omission of such a person will be considered fraud, negligence, dishonesty, wilful misconduct, breach of any obligations under the Nominee Deed or breach of trust by the Nominee or an officer, agent or employee of the Nominee for the purposes of this clause 16.10.



16.11 Indemnity from Beneficial Holders

- (a) If the Company suffers, incurs or is liable to the Nominee for any Expenses arising out of or in connection with any Shares held by the Nominee on behalf of a Beneficial Holder, subject to clause 16.11(b), the Nominee must ensure that the relevant Beneficial Holder indemnifies the Company in respect of those Expenses.
- (b) The Company will meet the Nominee's out-of-pocket expenses and any internal costs of the Nominee relating to actions and directions by the Beneficial Holder in relation to its Beneficial Shares in the ordinary course. This does not apply in relation to Expenses that would have been incurred in comparable circumstances by the Beneficial Holder had it been the registered holder of the relevant Shares.
- (c) For the avoidance of doubt, clause 16.11(b) does not apply in relation to:
 - (i) any taxes or duties in relation to any Shares or dealings in Shares; or
 - (ii) any expenses or liabilities arising in connection with any action or direction by a Beneficial Holder which is in breach of any legal or contractual obligation (including a breach of this deed or the Nominee Deed),

nor is it intended to require the Company to meet Expenses incurred as a result of actions or directions by a Beneficial Holder that are unreasonable or otherwise outside the ordinary course (for example persistent requests for copies of the register of Beneficial Holders or other documents beyond what would reasonably be expected).

17 Confidential Information

17.1 Disclosure of Confidential Information

- (a) A party may not disclose any Confidential Information to any person except:
 - (i) with the prior written consent of the Board, unless the Confidential Information relates only to certain Shareholder(s) (or an Affiliate), in which case with the prior written consent of the party to whom the Confidential Information relates;
 - (ii) on a confidential basis to its Representatives, or to an existing or proposed debt or equity financier (or its advisers) to a Shareholder, and to any of their respective directors, employees and professional advisers who have a need to know (and only to the extent that each has a need to know) and provided they are aware that the Confidential Information must be kept confidential on the same terms as required of a Shareholder;
 - (iii) if it is required to do so by an applicable law or regulation or the listing rules of any Securities Exchange;
 - (iv) to an Affiliate of the Shareholder; or
 - (v) that a TPG Shareholder may disclose Confidential Information:
 - (A) as part of an IPO;

- (B) to a prospective buyer of Shares or a buyer of the Business who gives an appropriate confidentiality deed poll for the benefit of the Company; and/or
 - (C) to any of its limited partners or co-investors (or their respective advisers) that have provided or are considering providing equity financing to a TPG Shareholder and/or the Group.
- (b) A party who has received Confidential Information from another under this deed must not use it except for the purpose of exercising its rights or performing its obligations under this deed.

17.2 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 17.1 must use all reasonable endeavours to ensure that each recipient of the information complies in all respects with the disclosing party's obligations under this clause 17 as if the recipient were a party to this deed.

17.3 Ceasing to hold Shares

- (a) If a Shareholder ceases to hold Shares, it must immediately destroy or deliver to the Company all documents or other materials containing or referring to the Confidential Information that are in its power or control.
- (b) The rights and obligations of a Shareholder under this clause 17 continue to apply to a Shareholder even after it ceases to hold Shares.

18 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with subparagraph (e)(i) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 18(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice within the same month where reasonably practicable and, in any event, no later than 14 days after the time of payment of the Additional Amount.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 18(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;



- (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed:
- (i) if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred before the Additional Amount is calculated; and
 - (ii) no Additional Amount is payable under clause 18(b) in respect of a Supply to which section 84-5 of the GST Law applies.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term in this clause that is capitalised and not defined in this deed has the same meaning as in the GST Law.

19 Representations and warranties

19.1 Capacity representations and warranties

Each Shareholder severally represents and warrants that:

- (a) they have full power and authority to enter into and perform their obligations under this deed;
- (b) they have taken all necessary action to authorise the execution, delivery and the performance of this deed; and
- (c) this deed constitutes their legal, valid and binding obligations, enforceable in accordance with the deed's terms.

19.2 Continuing obligation

The representations and warranties given under clause 19.1 are continuing obligations for the term of this deed.

20 Term

20.1 Commencement

This deed is conditional on and will not have any force or effect unless and until the Implementation Date and, subject to clause 20.2, remains in effect until:

- (a) with respect to a Shareholder, the Shareholder has transferred all of their Shares in a manner contemplated by this deed;
- (b) the parties agree to terminate this deed;
- (c) the Company goes into liquidation;
- (d) if required by applicable law, listing rules or the TPG Shareholders, completion of an IPO occurs; or
- (e) all Shares, Class C Shares and Class M Shares on issue are held by one person.

20.2 Certain provisions continue

The termination of this deed with respect to a party does not affect:

- (a) any obligation of that party which accrued prior to that termination and which remains unsatisfied; and
- (b) clauses 16 or 19 or any other provision of this deed which is expressed to come into effect on, or to continue in effect after, termination of this deed.

21 Limitation of liability – trustee

- (a) A Trustee enters into this deed only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this letter is limited to and can be enforced against a Trustee only to the extent to which it can be satisfied out of assets of the relevant trust out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of this deed or any other document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this letter.
- (b) The parties other than a Trustee may not sue a Trustee in any capacity other than as trustee of the relevant trust, including seeking the appointment of a receiver (except in relation to property of the relevant trust), a liquidator, an administrator or any similar person to that Trustee or prove in the liquidation, administration or arrangement of or affecting that Trustee (except in relation to property of the relevant trust).



- (c) No attorney, agent, receiver or receiver and manager appointed in accordance with this deed has authority to act on behalf of a Trustee in a way which exposes that Trustee to any personal liability.
- (d) A Trustee is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in clauses 21(a) to 21(c).
- (e) Notwithstanding the provisions of clause 21(a) to 21(c) a Trustee is liable under this deed to the extent that it is precluded from being indemnified out of the assets of the relevant trust in respect of that liability or the amount of such an indemnity are limited as a result of a fraudulent act or omission of the Trustee.
- (f) Each Trustee represents and warrants in favour of each other party that as at the date of this deed or the date of accession to this deed by that Trustee (as the case may be):
 - (i) the Trust was validly created and in existence;
 - (ii) it was validly appointed as trustee of the Trust and is the only trustee of the Trust;
 - (iii) so far as it is aware, no action has been taken to replace or remove it as trustee of the Trust or to terminate the Trust;
 - (iv) it has the power under the terms of the relevant trust deed to enter into and perform its obligations under this deed; and
 - (v) it has the right to be indemnified out of the assets of the Trust other than to the extent of fraud, negligence or breach of trust on its part.

22 Accession Deed Poll

22.1 New Shareholder

The Company may only issue Shares to a person which is not a party to this deed if the person (**New Shareholder**) has executed and delivered to the Company an Accession Deed Poll (except for an issue in connection with an IPO).

22.2 Transferee

A Shareholder who wishes to Deal with its Shares must ensure that the proposed transferee executes and delivers an Accession Deed Poll to the Company (except in the case of an IPO or where the proposed transferee is already a Shareholder).

23 Notices and other communications

- (a) A notice, consent or other communication under this deed:
 - (i) must be in legible writing and in English;

- (ii) must be addressed to the Shareholder to whom it is to be given to the postal address or email address as notified by that Shareholder for the purposes of this clause;
 - (iii) must be signed by the sender (if an individual) or an authorised representative of the sender;
 - (iv) must be either:
 - (A) delivered by hand or sent by pre-paid ordinary mail (by airmail if sent to or from a place outside Australia) to the party's address; or
 - (B) sent by email to the Shareholder's email address; and
 - (v) is deemed to be received by the party in accordance with clause 23(b).
- (b) A notice, consent or other communication under this deed is deemed to be received:
- (i) if delivered by hand, when delivered to the Shareholder;
 - (ii) if sent by post, on the 3rd Business Day after the date of postage, or if to or from a place outside Australia, on the 7th Business Day after the date of postage; or
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,
- whichever happens first,
- but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (Shareholder's time) it is deemed to be received at 9.00 am on the following Business Day.
- (c) Notices sent by email need not be marked for attention in a particular way and are taken to be signed by the named sender.

24 General

24.1 Variation and waiver

- (a) This deed may be amended by the TPG Shareholders without the approval of the Company or the Non-TPG Shareholders, except where the amendment prejudices a class of Shareholders in a manner that is materially and adversely disproportionate as compared to the TPG Shareholders, in which case the consent of the affected Shareholders holding more than 75% of the relevant class of Shares is required for the amendment.



- (b) Each party is bound by any variation of this deed made pursuant to this clause and notified to the party.

24.2 No merger

The warranties, undertakings and indemnities in this deed do not merge on termination of this deed.

24.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party to give effect to the provisions of this deed and the transactions contemplated by it.

24.4 Entire agreement

This deed and the Constitution constitute the entire agreement of the parties about the subject matter and supersede all previous agreements, understandings and negotiations on that subject matter.

24.5 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

25 Powers of attorney

25.1 Powers of attorney

- (a) Each appointment of an attorney by a Shareholder under clauses 5.1, 11.5, 12.5, 13.4, 14.9, 15.4, 16.2(d)(ii), 16.6(f) or 16.7(f) (**Appointor**) is made on the terms set out in this clause 25 and rule 6.9 of the Constitution.
- (b) The Appointor irrevocably appoints the Company and each of its Directors as its attorney to give effect to any of clauses 5, 11, 12, 13, 14, 15 and 16 including to take any of the following actions:
 - (i) to complete and execute (under hand or under seal) such documents for and on its behalf as are necessary or otherwise appropriate to give effect to any actions of the Shareholder, or any transactions in accordance with this document (including provisions of clauses 5, 11, 12, 13, 14, 15 or 16);
 - (ii) to call for, agree to short notice being provided in respect of, speak at and attend general meetings of, the Company (including any class meeting);
 - (iii) to vote or grant a proxy in favour of any person to vote (or appoint an authorised representative to vote) on behalf of the Appointor (to the exclusion of the Appointor) at any meeting or class meeting of holders of Shares (or any class of them);
 - (iv) to instruct and direct the Nominee or any party that is a bare trustee holding Shares on trust for the Appointor, to take all actions appropriate to implement any transaction or carry out any other matter, under or contemplated by any this document, including to instruct such person to

execute, under hand or under seal and deliver (conditionally or unconditionally) any appropriate documents and to dispose of any Shares; and

(v) to execute circulating shareholder resolutions on behalf of the Appointor, in each case on the Appointor's behalf.

(c) Whenever an Appointor appoints an attorney under clauses 11.5, 12.5, 13.4, 14.9 or 15.4, it hereby appoints the Company as its agent as follows:

- (i) the Company will hold the purchase moneys on trust for the Appointor;
- (ii) receipt by the Company of the purchase moneys will be good discharge of the buyer's obligation to the Appointor and the buyer will not be bound to see to the application of it; and
- (iii) the Company must pay the purchase moneys to the Appointor on surrender of the relevant share certificates or other instruments of ownership (as appropriate for Shares other than shares),

and if the Appointor defaults in relation to the provision of share certificates, the Appointor indemnifies the buyer against any Claims, demands and costs arising in any way in connection with the non-provision of those share certificates.

25.2 Validity of acts

Each Appointor:

- (a) declares that all acts and things done by an attorney appointed under this clause 25 in exercising powers under the power of attorney in clause 25.1 will be as good and valid as if they had been done by that Appointor and ratifies and confirms whatever the attorney lawfully does, or causes to be done, under the appointment in clause 25.1;
- (b) agrees that it will not, for so long as the power of attorney in this clause 25 is in effect:
 - (i) grant any power of attorney or other instrument conferring on persons other than the attorneys appointed in this clause 25 rights which contradict or are otherwise inconsistent with some or all of the rights granted under the power of attorney in this clause 25; or
 - (ii) personally take any action which would result in the suspension of the power of attorney in this clause 25 or otherwise contradict or be inconsistent with the power of attorney in this clause 25, including attending any meeting and voting at that meeting if an attorney appointed under clause 25.1 is present and intends to vote at the meeting pursuant to a lawful exercise of the attorney's powers; and
- (c) without prejudice to the other provisions of this clause 25, must deliver to the Company and to each Director on demand any power of attorney, instrument of transfer or other document which the Company or a Director requires for the purposes of any transaction or action contemplated by clause 25.1.



25.3 Waiver and release

Each party:

- (a) releases and discharges each attorney appointed under clause 25.1 from any and all claims and liabilities, in law or equity, that it ever had, now has, would but for this clause have had or may have in the future (whether known at the date of this document or not) in respect of, or in any way in connection with, the exercise by the attorney of its powers under this clause 25;
- (b) agrees that this clause 25.3 may be pleaded as a complete bar to any claim or action brought by it against an attorney appointed under clause 25.1 in respect of, or in any way in connection with, the exercise by the attorney of its powers under this clause 25; and
- (c) covenants never to sue or assert any claim or cause of action against any attorney appointed under clause 25.1 with respect to, or in any way in connection with, the exercise by the attorney of its powers under this clause 25.

25.4 Irrevocable

Each Appointor declares that the power of attorney in clause 25.1 is given for valuable consideration (including the mutual promises in this document) and is irrevocable while the relevant Appointor holds any Shares. For the avoidance of doubt, each Appointor agrees that if some or all of the Appointor's Shares are disposed of in accordance with this document (or an Appointor directs the Nominee to do so), the appointment by the Appointor of the attorneys remains effective in respect of the Appointor and the remaining Shares held by the Appointor.

25.5 Conflict of interest

Each attorney may exercise a power under the power of attorney in this clause 25 even if:

- (a) it involves a conflict of duty; or
- (b) any attorney, appointee of the attorney as a director of any Group Member, party, and/or Representative of a party has a personal interest in the doing of that act.

25.6 Benefits

Each attorney is expressly authorised to do any act as a result of which a benefit is conferred on it, any appointee of the attorney, a director of a Group Company, any Group Company, any party and/or Representative of a party.

25.7 Survival

Clauses 25.2, 25.3, 25.6 and 25.7 survive termination of this document (for all parties or for any specific party) indefinitely.

26 Governing law

26.1 Governing law

This deed is governed by the law in force in New South Wales.

26.2 Jurisdiction

Each party submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.



Schedule 1 Initial TPG Shareholders

Name	Notice details
Blue Eternal Holdings Pte. Ltd.	Address: 83 Clemenceau Avenue #11-01 UE Square Singapore (239920) Email: nkay@tpg.com Attention: Nicholas Kay
TPG Asia VIII SPV GP, LLC.	Address: Suite 302, 4001 Kennett Pike, County of New Castle, Wilmington, Delaware 19807 Email: nkay@tpg.com Attention: Nicholas Kay

Schedule 2 Dictionary

1 Dictionary

In this deed:

Accession Deed Poll means a deed poll in the form set out in Attachment A.

Acquiring Shareholders has the meaning given in clause 15.1(a).

Additional Amount has the meaning given in clause 18(b).

Affiliate means:

- (a) with respect to any person, any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first person;
- (b) with respect to a TPG Entity or a TPG Shareholder (without limiting the foregoing), means an Investor Advisor and an Investor Affiliate; and
- (c) with respect to any other Shareholder or a Management Shareholder that is an individual, also includes:
 - (i) any Family Company or Family Trust of that individual;
 - (ii) any self-managed superannuation fund for that individual, the trustee of which is that individual, that individual and their spouse, or a Family Company or Family Trust of that individual; and
 - (iii) a Relative of the individual.

Amount Incurred has the meaning given in clause 18(e)(i).

Appointor has the meaning given in clause 25.1(a).

Auditor means the auditor of the Group approved by the Board from time to time.

Beneficial Holders means a person on whose behalf the Nominee holds Shares as bare trustee.

Beneficial Shares in relation to a Beneficial Holder, means the Shares held by the Nominee as bare trustee for that Beneficial Holder.

Board means all or some of the Directors acting as the board of the Company.

Board Meeting has the meaning in clause 4.2(a).

Budget means a budget, included consolidated profit and loss account, balance sheet and cash flow statement for the Group.

Business means the business of the Group.

Business Day means a day other than a Saturday, Sunday or public holiday in New South Wales.

Business Plan means the one year programme current from time to time for the conduct of the Business during the current Financial Year, including the Budget for that Financial Year.

Buyer means a buyer (or a proposed buyer) of Shares who is a Third Party in relation to the seller (or proposed seller) of those Shares.

Chairperson means the person appointed as Chairperson of the Board under clause 3.2(a) of this deed.

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Class A Share means a share in the capital of the Company which is designated as a Class A Share and has the rights set out in clause 3.3 of the Constitution.

Class A Shareholder means a holder of Class A Shares. Class A Shares will only be held by a TPG Shareholder (unless otherwise agreed by the TPG Shareholders).

Class B Share means a share in the capital of the Company which is designated as a Class B Share and has the rights set out in clause 3.4 of the Constitution.

Class B Shareholder means a holder of Class B Shares.

Class C Share means a share in the capital of the Company which is designated as a Class C Share and has the rights set out in clause 3.5 of the Constitution.

Class C Shareholder means a holder of Class C Shares.

Class M Share means a share in the capital of the Company which is designated as a Class M Share and has the rights set out in clause 3.6 of the Constitution.

Class M Shareholder means a holder of Class M Shares.

Company means Eternal Aus HoldCo Ltd (ACN 669 042 782).

Compulsory Acquisition Notice has the meaning given in clause 15.1(a).

Confidential Information means all confidential information exchanged between the Shareholders relating to the Business or other affairs of the Group, the Shareholders or the Managers including the terms of this deed, but excludes any information that:

- (a) is in, or becomes part of, the public domain other than through breach of this deed or an obligation of confidence owed to a Group Company; or
- (b) was already known to it at the time of disclosure by the Company or a Shareholder, other than as a result of a breach of an obligation of confidentiality; or
- (c) a party acquires from a source other than the Company or a Shareholder, where the source is entitled to disclose it.

Consideration has the meaning given in clause 18(a).

Constitution means the constitution of the Company from time to time.

Control has the meaning in section 50AA of the Corporations Act, and **Controlled** has a corresponding meaning.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Deal with when used with respect to an item of property (including Shares), includes sell, offer for sale, dispose, transfer, deal with, assign, alienate the right to exercise the votes attached to, or decrease any economic interest in, or grant or allow to exist any Encumbrance, trust, option or other right in relation to the whole of any part of the item of property and agreeing to do any of those things or granting an option or making an offer that permits a person to require the doing of any of those things, and **Dealing** and **Dealt with** has a corresponding meaning.

Default Acceptance Deadline has the meaning given in clause 14.8(a)(iii).

Default Completion Date has the meaning given in clause 14.8(a)(iv).

Default Sale Price has the meaning given in clause 14.8(a)(ii).

Default Shares has the meaning given in clause 14.8(a).

Defaulting Shareholder has the meaning given in clause 14.1(a).

Default Third Party Purchaser has the meaning given in clause 14.8(c).

Default Value has the meaning given in clause 14.3.

Directors means all or some of the directors of the Company from time to time.

Drag Notice means a notice given in accordance with clause 11.2.

Drag Price has the meaning given in clause 11.2(c).

Drag Proportion has the meaning given in clause 11.2(b).

Dragged Shares has the meaning given in clause 11.2(e).

Dragged Shareholder has the meaning given in clause 11.1.

Dragging Shareholder has the meaning given in clause 11.1.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit à prendre, easement or any other security arrangement or any other arrangement having the same effect or any agreement to create any of them.

Eternal Aus BidCo means Eternal Aus BidCo Pty Ltd (ACN 669 053 258).

Event of Default has the meaning given in clause 14.1(a).

Event of Default Auditor means an independent valuation expert nominated by the Board.

Event of Default Auditor's Certificate has the meaning given in clause 14.5(a).



Exit Event means:

- (a) an IPO; or
- (b) a Share Sale; or
- (c) a Trade Sale.

Exit Process has the meaning given in clause 13.1(a).

Fair Value means fair value as determined by the Board in good faith.

Family Company means a body corporate which:

- (a) the individual (either alone or with their spouse) Controls and where all of the shares in the body corporate are owned, legally and beneficially, by the individual and/or Relatives of the individual and/or trustees of a Family Trust of the individual; or
- (b) is otherwise associated with the individual and approved by the Board.

Family Trust means a trust which:

- (a) the individual Controls (either alone or with their spouse) and where all the beneficiaries or potential beneficiaries are the individual and/or Relatives of the individual and/or charities; or
- (c) is otherwise associated with the individual and approved by the Company (with Board approval).

Financial Year means the 12-month period starting on 1 January and ending on 31 December each year (or such other dates as the Board approves).

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity. It includes ASIC and ASX (and any other stock exchange).

Group means the Company and each of its Subsidiaries and each of its or their interests in joint ventures or other entities (including trusts), from time to time.

Group Company means a member of the Group from time to time.

GST has the same meaning as in the GST Law.

GST Group has the same meaning as in the GST Law.

GST Law has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the *A New Tax System (Goods and Services Tax) Regulations 1999* (Cth).

Holder has the meaning given in clause 10.3.

Implementation Date has the meaning given to that term in the SID.

Initial Acceptance Period has the meaning given in clause 9.2(a)(v).

Initial TPG Shareholder means each of the persons listed in Schedule 1.

Interested Director has the meaning given in clause 3.3(b).

Investor Advisor means any management entity or general partner that from time to time provides investment advice, management services, and/or advisory services, in each case, whether directly or indirectly, to a TPG Shareholder, a TPG Entity or any of their respective Affiliates and/or any management entity or general partner that from time to time Controls a TPG Shareholder, a TPG Entity or any of their respective Affiliates.

Investor Affiliate means:

- (a) any partnership, limited partnership, venture capital limited partnership, trust, managed investment scheme, limited liability company or body corporate or other fund or entity of which any Investor Advisor or any person assuming the rights and obligations of such Investor Advisor, is the manager, trustee, responsible entity, general partner or investment advisor (**Investor Fund**);
- (b) any person Controlled by or under common Control with an Investor Fund; and
- (c) any partner, limited partner, unitholder, shareholder, trustee, responsible entity or custodian of any of the entities, funds, trusts or other things set out in any of paragraphs (a) and (b) above,

but does not include a Group Company or any other portfolio companies in which a TPG Shareholder, a TPG Entity or any of their respective Affiliates has a minority interest.

Invitation to Tag means, in respect of the Shareholders, an invitation in the form contemplated by clauses 12.1 and 12.2.

IPO means an initial public offering of shares in the Company, shares in any Subsidiary or shares in a company of which the Company is or will be a wholly owned subsidiary in conjunction with an application for the quotation of those shares on the Securities Exchange.

Issue Notice has the meaning given in clause 9.2(a).

Management Equity Plan means any management equity plan adopted by the Board from time to time under which the Company may issue Class M Shares to Managers.

Management Shareholder means a holder of Class M Shares with respect only to their holding of Class M Shares that is:

- (a) a Manager;
- (b) an Affiliate of a Manager; or
- (c) a person that the Board agrees in writing to treat as a "Management Shareholder",

and who is or becomes a party to a management securityholders' deed with the Company.

Manager means a person that is:

- (a) invited by the Board to participate in a Management Equity Plan; and



- (b) an employee, executive director or non-executive director of any Group Company at the time the Manager (or any Affiliate of the Manager) becomes a Management Shareholder,

and who is or becomes a party to a management securityholders' deed with the Company.

New Shareholder has the meaning given in clause 22.1.

Nominee means an independent third party trustee company appointed by the Company under clause 16.2 to hold Shares on bare trust pursuant to the terms of the Nominee Deed and clause 16.

Nominee Deed means the nominee deed to be entered between the Company and the Nominee, substantially in the form set out in Schedule 3 (subject to any changes reasonably required by the Nominee in accordance with its usual business practices and accepted by the Company).

Non-contributing Shareholder has the meaning given in clause 9.2(c).

Non-TPG Shareholder means a Shareholder that is not a TPG Shareholder.

Notice of Variation has the meaning given in clause 2.5(a).

Permitted Transferee of a Shareholder means:

- (a) in relation to a Shareholder that is not an individual, a Related Entity of the Shareholder;
- (b) in relation to a Shareholder that is an individual, a Relative of the Shareholder; or
- (c) in relation to a Shareholder that is a TPG Shareholder who is a trustee, custodian, responsible entity or general partner of a trust or partnership, includes the person who is a replacement trustee, custodian, responsible entity or general partner of the same trust or partnership.

Recipient has the meaning given in clause 18(b).

Related Body Corporate has the meaning given in the Corporations Act, interpreted so that 'subsidiary' has the meaning given to that term in this deed.

Related Entity means, in relation to an entity (the first entity):

- (a) a Related Body Corporate of the first entity; or
- (b) a Controlled entity of the first entity;
- (c) an entity of which the first entity is a Controlled entity; and
- (d) in relation to a TPG Shareholder, includes any Affiliate of a TPG Shareholder or a TPG Entity.

Related Party has the meaning given in the Corporations Act, except that the Company or the relevant Shareholder (as appropriate) will be deemed to be a public company (or a

registered management investment scheme, as appropriate) for the purpose of this definition.

Relatives means a spouse, former spouse, mother, father, brother, sister or child.

Relevant Proportion means when used in relation to:

- (a) all Shareholders, the proportions which their respective Shareholdings bear to all of the issued Shares; and
- (b) less than all the Shareholders, the proportions which their respective Shareholdings bear to their aggregate holdings of issued Shares.

Representative means, in relation to an entity, an employee, officer, director or adviser of that entity.

Representative Member has the same meaning as in the GST Law.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which Eternal Aus BidCo (or any other Group Company) acquires all of the issued shares in the Target that a TPG Entity does not already own.

Scheme Implementation Deed means the scheme implementation deed for the Scheme entered into on 9 August 2023 between Eternal Aus BidCo and the Target.

Securities Exchange means the Australian Securities Exchange or any other securities or stock exchange approved by the Board.

Security has the meaning in section 92(3) of the Corporations Act and includes Shares and/ or any other securities issued by the Company from time to time.

Share means, solely for the purposes of this deed, a Class A Share and a Class B Share (but does not include a Class C Share or a Class M Share).

Share Sale means a sale of all of the Shares in the Company on issue to a Third Party.

Share Term Variation has the meaning given in clause 2.5(a).

Shareholder means, solely for the purposes of this deed, a holder of Shares in the Company (other than a Class C Shareholder or Class M Shareholder).

Shareholding means a Shareholder's holding of Shares.

SID means the scheme implementation deed between Eternal Aus BidCo and the Target dated 9 August 2023.

Simple Majority Resolution means:

- (a) in the case of Shareholders, the TPG Shareholders; and
- (b) in the case of Directors, Directors that together hold more than 50% of the total voting rights of all Directors who attend the relevant Board Meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution.



Small Holdings means a shareholding in the Company of less than \$10,000 (based on the value of a Share implied by the Scheme), and includes, for the avoidance of doubt, Beneficial Holders whose holding of Beneficial Shares is less than \$10,000 (based on the value of a Share implied by the Scheme).

Small Shareholders has the meaning given in clause 15.1(a).

Special Resolution of Beneficial Holders means a resolution that has been passed by at least 75% of the votes cast by Beneficial Holders where:

- (a) only Beneficial Holders can vote on the resolution;
- (b) each Beneficial Holder is entitled to cast a vote for each security held on trust for, or on behalf of, the Beneficial Holder under the custodial arrangement; and
- (c) Part 2G.2 of the Corporations Act applies as if each Beneficial Holder were a member of the Company.

Subsidiary means each subsidiary of the Company, as that term is defined in Part 1.2 Division 6 of the Corporations Act.

Supplier has the meaning given in clause 18(b).

Supply has the same meaning as in the GST Law.

Tag Option has the meaning given in clause 12.2(e).

Tag Price has the meaning given in clause 12.2(c).

Tagged Shares has the meaning given in clause 12.2(e).

Tagged Shareholder has the meaning given in clause 12.1.

Target means InvoCare Limited (ACN 096 437 393).

Taxes means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them.

Third Party means a person other than:

- (a) a Shareholder; or
- (b) an affiliate of a Shareholder.

TPG Director means each Director who is appointed by the TPG Shareholders who is not considered by the Board to be an independent director of the Board by virtue of being an Affiliate of a TPG Shareholder.

TPG Entity means TPG Asia VII SF Pte. Ltd., TPG Asia VIII SF Pte. Ltd. and any of their respective Affiliates (provided that the term 'Affiliates' when used in this definition shall not include any Manager).

TPG Shareholder means, collectively, the Initial TPG Shareholders and any TPG Entity that holds Shares from time to time (for the avoidance of doubt, TPG Shareholder does not include any Manager).

Trade Sale means the sale of:

- (a) all or substantially all of the operating Group Companies; or
- (b) the whole or substantially all of the Business,

in each case to a Third Party.

Transfer means to give, sell, transfer, alienate, assign, lease, licence, grant an option over, create or declare a trust over, part with the benefit of, or otherwise dispose of or deal with any legal or equitable interest in something, including a Security.

Transferor has the meaning given in clause 10.3.

Trustee means the trustee or responsible entity of any Shareholder.

2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;



- (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
- (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing.
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it; and
- (k) if there is any conflict between the body of this deed and its schedules or attachments the terms of the main body of this deed will prevail.

Schedule 3 Nominee Deed



Nominee Deed

Pacific Custodians Pty Limited (ACN 009 682 866)
Eternal Aus HoldCo Limited (ACN 669 042 782)
Each person listed in **Schedule 2**

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Date:

Parties

- 1 **Pacific Custodians Pty Limited (ACN 009 682 866)** of c/- Trustee Office, Level 12, 680 George Street, Sydney, NSW 2000 (**Nominee**)
 - 2 **Eternal Aus HoldCo Limited (ACN 669 042 782)** of Level 38, South Tower, 80 Collins Street, Melbourne VIC 3000 (**Company**)
 - 3 **Each person listed in Schedule 2** (each, an **Initial Beneficial Holder**)
-

Background

- A At the request of the Company, the Nominee agrees to act as trustee of each Separate Trust on the terms set out in this Deed.
- B In consideration for the Nominee acting as trustee of each Separate Trust, the Company has agreed to indemnify the Nominee on the terms set out in this Deed.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

1.3 Definitions and interpretation in Shareholders' Deed

Unless expressly defined in this Deed, terms defined in the Shareholders' Deed have the same meaning where used in this Deed.

1.4 Deed binding

This Deed binds the Nominee and, in the case of each Separate Trust, the Beneficial Holder and any other person with an interest in the Separate Trust and any person claiming through the Beneficial Holder as if each of them had been a party to this Deed.

2 Declaration of Trusts

2.1 Appointment of Nominee

The Nominee agrees to act as trustee of each Separate Trust.

2.2 Declaration of Separate Trusts

- (a) The Nominee declares that, in respect of each Beneficial Holder, it holds the right, title and interest in that Beneficial Holder's Separate Trust Property on a separate bare trust for that Beneficial Holder absolutely (**Separate Trust**).
- (b) For the avoidance of doubt, each Beneficial Holder has a vested and indefeasible interest in, and is absolutely entitled as against the Nominee, to the capital, assets and Income of its respective Separate Trust.

2.3 Separate Trust Property in each Separate Trust to be treated separately

The Nominee shall at all times treat the Separate Trust Property included in each Separate Trust separately from the Separate Trust Property included in all other Separate Trusts.

2.4 Nominee's obligations

The Nominee must on the Instruction given by or on behalf of a Beneficial Holder and at the cost of the relevant Beneficial Holder:

- (a) transfer to the Beneficial Holder or otherwise deal with the Nominee's legal right, title and interest in any or all of the relevant Separate Trust Property and any Accretions as the Beneficial Holder (or its Authorised Person) may from time to time direct; and
- (b) take all steps, execute all documents and do all things necessary to vest the Nominee's legal right, title and interest in any or all of the Separate Trust Property and any Accretions in the Beneficial Holder as the Beneficial Holder (or its Authorised Person) may from time to time direct,

provided that the Nominee will not be held liable for any failure to comply with these obligations to the extent that such failure is due to any act, refusal to act or omission by that Beneficial Holder, its Authorised Person or any other person (including any failure to provide any information that is properly required by the Nominee or any competent authority) or due to the operation of law.

2.5 Beneficial Holder's reservation of rights

Nothing in this Deed entitles the Nominee to beneficial ownership of any Separate Trust Property, or operates to deprive a Beneficial Holder of the rights of beneficial ownership (including the right of possession) of the Separate Trust Property and any Accretions. The Nominee declares that it has no beneficial interest whatsoever in the Separate Trust Property or any Accretions.

2.6 Limitations on the Nominee

The Nominee shall have no powers, duties, discretions or liabilities under a Separate Trust except those expressly set out in this Deed.



2.7 Nominee may appoint attorneys

The Nominee may appoint any one or more persons as its attorney (jointly or severally if more than one) with power to execute documents on behalf of the Nominee for the day to day administration of a Separate Trust.

3 Rights and Duties of the Parties

3.1 Role of the Nominee

- (a) The Company directs, on behalf of, and as attorney for each relevant Beneficial Holder, the Nominee to acquire the Shares which that Beneficial Holder is entitled to receive pursuant to the Scheme, and to enter into and execute an Accession Deed in the form attached to the Shareholders' Deed on behalf of that Beneficial Holder, and the Nominee agrees to follow that direction.
- (b) To the extent reasonably practicable, the Nominee must:
 - (i) attend any meeting of Shareholders which the Nominee is directed by an Instruction to attend and which the Nominee is entitled to attend (provided that in the absence of an Instruction from a Beneficial Holder, the Nominee will not attend the relevant meeting on behalf of that Beneficial Holder);
 - (ii) in respect of Shares held on behalf of a Beneficial Holder, vote at any meeting of Shareholders in accordance with any Instruction to vote at that meeting given to the Nominee by or on behalf of that Beneficial Holder and at which the Nominee is entitled to vote in respect of those Shares (and in the absence of an Instruction relating to a meeting, the Nominee will not vote at that meeting); and
 - (iii) if required by an Instruction given by or on behalf of a Beneficial Holder, execute all proxies, powers of attorney and other documents which it is necessary to execute to enable the relevant Beneficial Holder to vote in the place of the Nominee at meetings of Shareholders in respect of that Beneficial Holder's Separate Trust Property.

3.2 Instructions

- (a) The Nominee has no obligation to verify the purpose, merits or propriety of an Instruction or any document the subject of an Instruction, and is entitled to rely solely on the relevant Beneficial Holder or its Authorised Person in respect of all matters relating to an Instruction and any transaction the subject of an Instruction. The Nominee is entitled to request further details from the relevant Beneficial Holder or its Authorised Person in respect of any Instruction, and is entitled to a reasonable period to consider any matter related to or arising from an Instruction, but this does not impose any obligation on the Nominee to do so, and does not otherwise limit the effect of this paragraph.
- (b) If the Nominee considers that it is unable to wholly or partially act on an Instruction of a Beneficial Holder or its Authorised Person, it must promptly (and in any event, within two Business Days) notify the relevant Beneficial Holder or its Authorised Person (as applicable). Upon receipt of such notice, the relevant Beneficial Holder or its Authorised Person (as applicable) may either:
 - (i) withdraw the specific Instruction with which the Nominee is unable to comply in accordance with this clause; or

- (ii) re-issue or clarify the Instruction, in which case the Instruction will not operate until it has been re-issued or clarified (and this clause will apply to that revised Instruction, as required).

4 Register of Separate Trusts

4.1 Register of Beneficial Holders

- (a) The Company shall, at its sole cost and expense, establish and maintain a Trusts Register of Separate Trusts.
- (b) The following particulars shall be entered into the Trusts Register in respect of each Separate Trust:
 - (i) the name, address and description of the Beneficial Holder (and the Beneficial Holder's nominee or custodian (if any));
 - (ii) the number and identifying designation of Shares that are held on trust for that Beneficial Holder;
 - (iii) the date at which the name of the Beneficial Holder was first noted in the Trusts Register in respect of the Separate Trust Property held on trust for that Beneficial Holder; and
 - (iv) any other details considered necessary by the Nominee.

4.2 Nominee to be provided with a copy of the Trusts Register

The Company must, or must procure that its registrar, provide a copy of the Trusts Register to the Nominee:

- (a) on, or as soon as practicable after the date of this Deed;
- (b) as and when any information in the Trusts Register is updated; and
- (c) as soon as reasonably practicable after, and in any event within 2 Business Days of, being requested to do so by the Nominee.

4.3 No certificate

No certificates will be issued to a Beneficial Holder in respect of the number of Shares held under a Separate Trust for that Beneficial Holder.

4.4 Cessation of notation as a Beneficial Holder

Upon termination of a Separate Trust in respect of a Beneficial Holder, the Beneficial Holder shall cease to be noted in the Trusts Register as the Beneficial Holder of the Separate Trust Property held under that Separate Trust.

4.5 Changes

Every Beneficial Holder must promptly notify the Nominee and the Company of any change of name or address and the Company must alter the Trusts Register accordingly.



5 Undertaking by Company

The Company undertakes to the Nominee that it will:

- (a) promptly provide the Nominee with all necessary information and assistance as the Nominee may reasonably require to enable the Nominee to comply with its obligations under this deed and the Shareholders' Deed;
- (b) without limitation to clause 5(a), provide the Nominee with written notice of any of the following events (as soon as practicable, but in any case no later than 3 Business Days, after becoming aware of any such events):
 - (i) any event that may result in a change in the beneficial ownership of a Share;
 - (ii) any transfer of the beneficial interest in a Share to a Beneficial Holder in accordance with the Shareholders' Deed;
 - (iii) any purported transfer by a Beneficial Holder of its beneficial interest in Shares in breach of the Shareholders' Deed,

and, on request, provide the Nominee with any information reasonably required by the Nominee in relation to any such event or events.

6 Company Proceedings and Information

6.1 Shareholder information and dividends

The Company undertakes to the Nominee that at the same time as it:

- (a) gives, makes available or despatches any document or information to Shareholders, the Company will also give, make available or despatch that notice or information to each Beneficial Holder; and
- (b) makes or pays any distribution or dividend of any kind whatsoever to its Shareholders, the Company will procure that the distribution or dividend that would otherwise be paid to the Nominee as a Shareholder will be paid to each Beneficial Holder in place of the Nominee pro-rata according to the number of Shares that are held on trust for that Beneficial Holder under the Separate Trust relating to that Beneficial Holder.

6.2 Shareholder meetings

The Company undertakes to the Nominee that at the same time and in the same manner as it gives, makes available or despatches a notice of meeting to Shareholders, the Company will also despatch to the Beneficial Holder a copy of the notice of meeting.

6.3 No meetings of Beneficial Holders

For the removal of doubt, there shall be no meetings of the Beneficial Holders of the Separate Trusts.

7 Authorised Persons

7.1 Authorised Persons

A Beneficial Holder may notify the Nominee of persons who are authorised to make any written communication or take action on behalf of that Beneficial Holder under this Deed (each an **Authorised Person** of that Beneficial Holder).

7.2 Variation of Authorised Person

A Beneficial Holder may vary its Authorised Persons by written notice to the Nominee.

7.3 Nominee's action

The Nominee must accept all communications or actions concerning this Deed made by an Authorised Person of a Beneficial Holder, provided that those communications or actions are in accordance with this Deed. The Nominee is not obliged to take any action in respect of a Beneficial Holder's Separate Trust Property if the communication or action is not made by the relevant Beneficial Holder or an Authorised Person, nor to enquire as to the identity of any person if it reasonably believes the person is an Authorised Person.

7.4 Beneficial Holder not liable

A Beneficial Holder is not liable in respect of any action or omission by the Nominee in reliance on any communication or action given or taken by any person acting or purporting to act on behalf of the Beneficial Holder who is not:

- (a) an Authorised Person, or
- (b) a person reasonably believed by the Nominee to be an Authorised Person,

but the Beneficial Holder may ratify the action or omission, in which case it is liable.

7.5 Nominee's reliance on an instruction

If the Nominee receives an Instruction from an Authorised Person of a Beneficial Holder in accordance with this Deed in circumstances where it is reasonable for the Nominee to assume it was from an Authorised Person of the Beneficial Holder, the Nominee is not liable for any properly performed action or omission of the Nominee in reliance on that Instruction.

8 Change of Nominee

8.1 Retirement of the Nominee

The Nominee may, by giving 30 Business Days' written notice (or such lesser notice period agreed by all of the Beneficial Holders) to the Beneficial Holders, retire as the trustee of all (but not some) of the Separate Trusts. If the Nominee retires under this clause 8.1, such retirement shall have effect as at 11.59pm (AEST) on the last day of the relevant notice period.

8.2 New Nominee

- (a) If the Nominee retires under clause 8.1, a person nominated by the Company shall be appointed as the replacement trustee for each Separate Trust, or if no person is



nominated by the Company by the date of the Nominee's retirement, the Nominee will, acting reasonably, nominate a person as a replacement trustee and the person so nominated shall be appointed as the replacement trustee of each Separate Trust, subject to clause 8.2(c).

- (b) The Company and the Nominee must do all things reasonably necessary to facilitate the change of trustee.
- (c) Despite anything else in this Deed, the retirement of the Nominee and the appointment of a replacement trustee is not complete until the new trustee executes a deed by which it covenants to be bound by this Deed as if it had originally been a party to it.

8.3 Release

When the Nominee retires in accordance with clause 8.1, the Nominee is released from all obligations in relation to the Separate Trusts arising after the time it retires, except that the Nominee is still obliged to comply with clause 8.2(b) including by delivering all books and records relating to the Separate Trusts in its possession at the relevant time to the replacement trustee.

8.4 Costs of replacing the Nominee

All reasonable costs incurred by the Nominee and all costs of any new nominee and the Company in connection with the retirement or removal and replacement of the Nominee shall be borne by the Company.

9 Limitation of Liability and Indemnities

9.1 Indemnity and liability of Nominee

- (a) The Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this Deed, act in relation to Separate Trust Property in accordance with the Instructions of a Beneficial Holders under a power of attorney or otherwise, to the intent that each Beneficial Holder exercises day-to-day control over the operation of the trust under which its Beneficial Shares are held.
- (b) Each party who is a Beneficial Holder:
 - (i) indemnifies the Nominee for any Expense which the Nominee pays, suffers, incurs or is liable for arising out of or in connection with; and
 - (ii) covenants with the Nominee not to claim, sue or take any action against the Nominee in relation to,

anything done by the Nominee at the direction of or on behalf of the Beneficial Holder, or by reason of the Beneficial Holder's Beneficial Shares being registered in the name of the Nominee.
- (c) The indemnity and covenant in clause 9.1(b) does not apply to:
 - (i) any Expense which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this Deed or the Shareholders' Deed or breach of trust; or

- (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or
 - (iii) the extent that the Nominee is entitled to recover and is actually indemnified for any such Expenses or Overhead Costs by the Company under clause 11 of this Deed.
- (d) Each party acknowledges that the Nominee is obliged to act in accordance with an Instruction given by or on behalf of a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares. Any breach of this Deed that arises out of the Nominee complying with an Instruction given by a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares (**Directed Breach**) is to be construed for all purposes as a breach by the relevant Beneficial Holder and not by the Nominee, and, except to the extent that the same arises as a direct result of the fraud, dishonesty or wilful misconduct of the Nominee or those acting on its behalf, without limitation:
- (i) the Nominee is released from any claim, action, demand, suit or proceeding for damages, debt, specific performance or any other remedy in respect of any Directed Breach; and
 - (ii) each party (other than the Nominee) covenants not to claim, sue or take any action against the Nominee in respect of any Directed Breach.
- (e) Each indemnity given by a Beneficial Holder in this clause 9.1:
- (i) is an additional, separate and independent obligation of the Beneficial Holder and no one indemnity limits the generality of any other indemnity; and
 - (ii) survives termination of this Deed and the Shareholders' Deed and the Nominee's retirement as trustee of that Beneficial Holder's Separate Trust.

9.2 Limitation of Nominee's liability

- (a) This limitation of the Nominee's liability applies despite any other provisions of this Deed and extends to all Obligations of the Nominee in any way connected with any Separate Trust and any representation, warranty, conduct, omission, agreement or transaction related to this Deed.
- (b) Subject to clauses 9.2(h) and 9.2(i) , the Nominee will be bound by this document only in its capacity as trustee of each Separate Trust and in no other capacity.
- (c) Subject to clauses 9.2(h) and 9.2(i) , the parties (other than the Nominee) acknowledge that the Nominee incurs the Obligations solely in its capacity as trustee of each Separate Trust and that the Nominee will cease to have any Obligations under this document in respect of a particular Separate Trust which arises after the time the Nominee ceases to be a legal holder of the relevant Beneficial Shares as trustee of that Separate Trust.
- (d) Subject to clauses 9.2(h) and 9.2(i) , the Nominee will not be liable to pay or satisfy any Obligations except to the extent that the Nominee is actually indemnified under the Nominee Indemnity Provisions or to the extent that and at the time the Nominee would, if the Nominee exercised its entitlement to be indemnified in respect of that liability under the Nominee Indemnity Provisions.



- (e) Subject to clauses 9.2(h) and 9.2(i), the parties (other than the Nominee) may enforce their rights against the Nominee arising from the non-performance of the Obligations only to the extent of the Nominee's right to be indemnified under the Nominee Indemnity Provisions.
- (f) Subject to clauses 9.2(h) and 9.2(i), if a party (other than the Nominee) does not recover all money owing to it arising from the non-performance of the Obligations, it may not seek to recover the shortfall by:
 - (i) bringing proceedings against the Nominee in its personal capacity or
 - (ii) applying to have the Nominee put into administration or wound up or applying to have a receiver or similar person appointed to the Nominee or proving in the administration or winding up of the Nominee.
- (g) Subject to clauses 9.2(h) and 9.2(i), each party (other than the Nominee) waives its rights and releases the Nominee from any personal liability whatsoever, in respect of any loss or damage:
 - (i) which it may suffer as a result of any:
 - (A) breach by the Nominee of any of its Obligations; or
 - (B) non-performance by the Nominee of the Obligations; and
 - (ii) which cannot be paid or satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions.
- (h) The parties acknowledge that the whole of this document is subject to this clause 9.2 and that the Nominee shall in no circumstances be required to satisfy any liability of the Nominee arising under, or for non-performance or breach of, any Obligations out of any funds, property or assets other than the proceeds of the indemnities given under the Nominee Indemnity Provisions as and when they are available to the Nominee to be applied in exoneration for such liability provided that, subject to this clause 9.2(h), if the liability of the Nominee arising under, or for non-performance or breach of, any Obligations is not fully satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions due to the negligence, breach of any obligations under this Deed or breach of trust (excluding any breach that arises as a result of any fraud, dishonesty or wilful misconduct) by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Separate Trusts, the Nominee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability, but will not be liable to pay an amount that is greater than the amount that the Nominee would have been able to recover under the Nominee Indemnity Provisions in relation to the relevant liability if its right to be indemnified under the Nominee Indemnity Provisions had not been prejudiced.
- (i) Clause 9.2(b) to 9.2(h) do not apply to any damages suffered by or amounts owing to another party which result from a breach or non-performance of an Obligation by the Nominee to the extent that those damages or amounts owing are not satisfied because the right of the Nominee to be indemnified under the Nominee Indemnity Provisions is prejudiced as a result of any fraud, dishonesty, or wilful misconduct by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Separate Trusts.
- (j) The parties (other than the Nominee) agree that no act or omission of the Nominee (including any related failure to satisfy any Obligations) will constitute fraud,

negligence, breach of trust, breach of any obligations under this Deed, dishonesty or wilful misconduct of the Nominee or of any of its officers, employees or agents for the purposes of this clause 9.2 to the extent to which the act or omission was caused or contributed to by any failure of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee or agent of the Nominee) to fulfil its obligations relating to a Separate Trust or by any other act or omission of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee, or agent of the Nominee).

- (k) No attorney, agent, or other person appointed in accordance with this Deed has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability (except in accordance with the provisions of clause 9.2) and no act or omission of such a person will be considered fraud, negligence, dishonesty, wilful misconduct, breach of any obligations under this Deed or breach of trust by the Nominee or an officer, agent or employee of the Nominee for the purposes of this clause 9.2.
- (l) Notwithstanding anything in this Deed to the contrary, nothing in this Deed shall limit the Nominee's liability, and the Company and any Beneficial Holder shall have no obligation to indemnify the Nominee, to the extent such liability arises from the fraud, dishonesty or wilful misconduct of the Nominee any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Separate Trusts.

9.3 The Nominee not to incur liability

Despite any other provision of this Deed, the Nominee is not required to do anything under or in connection with this Deed (including enter into any contract or commitment) which involves it:

- (a) incurring any liability (actual or contingent) unless its liability is limited in a manner set out in clause 9.2; and
- (b) executing any instrument, entering into any agreement or incurring any obligation unless the Nominee has first received independent legal advice (if required by the Nominee) in relation to the instrument, agreement or obligation.

9.4 Legal actions by the Nominee

If a Beneficial Holder suffers any Loss as a result of negligence, fraud or wilful default on the part of any attorney or agent appointed under the Shareholders' Deed, the Nominee agrees to cooperate and provide all reasonable assistance with legal proceedings against such attorney or agent in accordance with Instruction from the Beneficial Holder and at the expense of the Beneficial Holder.

10 Confidentiality and Intellectual Property

- (a) To the extent that, before or after the effective date of this Deed, the Nominee comes into possession of any proprietary or confidential information regarding the Company, Beneficial Holders or any party related to or affiliated with Company (collectively, the **TPG Group**) or the Target in connection with the performance of the Obligations or under the Shareholders' Deed (such information collectively referred to herein as **Confidential Information**), neither the Nominee nor any party related to or affiliated with the Nominee shall, during the term of this Deed and for a period of five (5) years thereafter, directly or indirectly disclose to any third party any Confidential Information, except that with respect to Confidential



Information relating to Company, the Nominee may disclose such Confidential Information: (i) as required by law; (ii) to the extent it becomes generally available to the public without breach of this Deed; and (iii) if received lawfully from a third party (other than from a member of the TPG Group) that has no legal obligation to keep such information confidential. In the event that the Nominee is required by legal process to disclose Confidential Information, the Nominee shall, to the extent legally permissible to do so at any time, immediately advise Company and, if requested, the Nominee shall cooperate with Company to limit and shield such disclosure.

- (b) The Nominee acknowledges that it has information and cybersecurity policies in place that are designed and functioning in a manner to protect client/customer information and that are consistent with the prevailing best practices used in the Nominee's industry. The Nominee acknowledges and agrees that any information provided to the Nominee by or on behalf of the Company or any Beneficial Holder will be subject to such policies.
- (c) The Nominee shall not use the name, logo, trademark or service mark of the Company or its affiliates without the Company's prior written consent. Additionally, the Nominee shall not issue any press release or make any other public statement regarding this Deed or the contemplated arrangement hereunder without the prior written consent of the Company.

11 Fees and Costs

- (a) The Company must pay to the Nominee the fees set out in Schedule 3 for acting as trustee of each Separate Trust.
- (b) The Company must reimburse the Nominee for all reasonable and documented out-of-pocket expenses and any internal costs of the Nominee relating to actions and directions by the Beneficial Holder in relation to its Beneficial Shares in the ordinary course. This does not apply in relation to Expenses that would have been incurred in comparable circumstances by the Beneficial Holder had it been the registered holder of the relevant Shares.
- (c) For the avoidance of doubt, clause 11(b) does not apply in relation to:
 - (i) any taxes or duties in relation to any Shares or dealings in Shares; or
 - (ii) any expenses or liabilities arising in connection with any Instruction, action or direction by a Beneficial Holder which is in breach of any legal or contractual obligation (including a breach of this Deed),

nor is it intended to require the Company to meet Expenses incurred as a result of actions or directions by a Beneficial Holder that are unreasonable or otherwise outside the ordinary course (for example persistent requests for copies of the register of Beneficial Holders or other documents beyond what would reasonably be expected).

12 Duration of Separate Trusts

12.1 Commencement date

Each Separate Trust commences on the Effective Date.

12.2 Termination and termination date

Each Separate Trust will terminate on the earlier of:

- (a) the date on which the Beneficial Holder is registered on the register of members held by the Company as the legal owner of all of the Shares comprising the Separate Trust Property of that Separate Trust;
- (b) the date on which the Nominee ceases to be registered on the register of members held by the Company as the legal owner of all of the Shares comprising the Separate Trust Property and the holder of any Accretions;
- (c) if the Company is wound up, the date on which that proportion of the proceeds of realisation payable in respect of the Shares comprising the Separate Trust Property is distributed to the Beneficial Holder or, if no proceeds of realisation are to be distributed to the Beneficial Holder, the date on which the Company is wound up;
- (d) the date on which the Separate Trust is terminated by the operation of any applicable laws; and
- (e) the date that is 80 years from the date of the Separate Trust.

13 GST

- (a) Any consideration or amount payable under this Deed, including any non-monetary consideration (as reduced in accordance with subparagraph (e)(i) if required) (Consideration) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this Deed, an additional amount (Additional Amount) is payable by the party providing consideration for the Supply (Recipient) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (Supplier) in accordance with the GST Law.
- (c) The Additional Amount payable under paragraph (b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice within the same month where reasonably practicable and, in any event, no later than 14 days after the time of payment of the Additional Amount.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under paragraph (b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the



Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Despite any other provision in this Deed, if an amount payable under or in connection with this Deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (Amount Incurred), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred before the Additional Amount is calculated.
- (f) Any reference in this clause 13 to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of the GST Group of which the party is a Member is entitled.

14 Conversion and termination provision

- (a) If the Company applies to the Australian Securities and Investments Commission to change its type to a proprietary company at a time when it has more than 50 non-employee Beneficial Holders:
 - (i) this Nominee Deed will terminate once the change of type takes effect; and
 - (ii) the Beneficial Holders will be registered as the owners of the Shares.
- (b) This clause 14 may only be amended by Special Resolution of Beneficial Holders.

15 Notices

15.1 Notice required to be given under this Deed (Notice):

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number last notified by the intended recipient to the sender;
- (c) will be taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

- (B) the time that the intended recipient confirms receipt of the email by reply email;
- (C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent or at later than 4.00pm (local time), it will be taken to have been duly given or made at the start of business on the next Business Day in that place.

15.2 Notice details

The notice details for the parties are set out below:

The Company

Attention: Nicholas Kay
Address: Level 38, South Tower, 80 Collins Street, Melbourne, Victoria 3000
Email: nkay@tpg.com
with a copy to vwong@tpg.com

The Nominee

Attention: Trustee Manager, Pacific Custodians
Address: Level 12, 680 George Street, Sydney, NSW 2000
Email: ess.trustees@linkmarketservices.com.au

16 Amendments to Deed

Subject to any applicable laws, this Deed may only be amended with the written approval of the Nominee and Company provided that the amendment does not result in the Separate Trusts ceasing to be bare trusts.

17 Further Assurances

Each party agrees to do all such things and execute all such deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed and the transactions contemplated by it.

18 Waiver

No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.



19 Governing Law and Jurisdiction

The Deed is governed by the laws of the State of New South Wales. The Nominee, the Company, and each Beneficial Holder submit to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed.

20 Severability

If any provision of this Deed is held or found to be void, invalid or otherwise unenforceable then so much of it as is necessary to render it valid and enforceable is deemed to be severed but the remainder of this Deed remains in full force and effect.

21 Counterparts

This Deed may be executed in any number of counterparts. All counterparts will be taken to constitute one instrument.

Schedule 1 Dictionary

1 Dictionary

In this deed:

Accretions means, in respect of any Separate Trust Property, all accretions, rights and benefits attaching to that Separate Trust Property, including all rights to receive dividends and any other distributions and to receive or subscribe for shares, stock, units, notes, options or other securities declared, paid or issued by the Company but excluding amounts or other property that are paid or delivered by the Company directly to the Beneficial Holder in respect of that under the Shareholders' Deed.

Acquisition Date means, in the case of each Separate Trust, the date and time at which the Nominee becomes the registered holder of Shares that are acquired and held on behalf of the relevant Beneficial Holder of the Separate Trust as shown in the Trusts Register.

Adjustment Note has the meaning given by the GST Law.

Authorised Person has the meaning given to that term in clause 7.1.

Beneficial Holder means an Initial Beneficial Holder, and any person or persons inscribed on the Trusts Register as the holder or holders of the beneficial interest in the Separate Trust Property held by the Nominee under a Separate Trust.

Beneficial Shares means, in relation to a Beneficial Holder, the Shares registered in the name of the Nominee in which that Beneficial Holder has a beneficial interest.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Victoria, Australia.

Company means Eternal Aus HoldCo Limited (ACN 669 042 782).

Confidential Information has the meaning given to that term in clause 10.

Consideration has the meaning given by the GST Law.

Effective Date means, in relation to each Separate Trust, the date and time at which the Nominee first becomes the registered holder of Shares on trust for the relevant Beneficial Holder.

Expense means any liability, cost, expense, loss or damage.

GST has the meaning given by the GST Law.

GST Amount means in relation to a Taxable Supply the amount of GST payable in respect of that Taxable Supply.

GST Group has the meaning given by the GST Law.

GST Law has the meaning given by the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Initial Beneficial Holder means each person listed in Schedule 2.



Income includes an amount equal to net income as defined in section 95 of the Income Tax Assessment Act 1936 (Cth).

Input Tax Credit has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a party includes an Input Tax Credit for an acquisition made by that party but to which another member of the same GST Group is entitled under the GST Law.

Instruction means a written instruction to the Nominee in respect of or in connection with the Separate Trust Property which is signed by a Beneficial Holder, or an Authorised Person on behalf of a Beneficial Holder, and which also satisfies each of the following matters (provided that the Nominee is entitled to treat any such instruction as an Instruction even if it does not satisfy one or more of these matters, in its discretion):

- (a) the instruction states that it is an Instruction for the purposes of this Deed; and
- (b) where the instruction includes a requirement for the Nominee to execute a document, it includes appropriate details of the terms and purpose of the document.

Loss means any fee, tax or penalty of any kind, cost, expense, liability, claim, loss or damage.

Nominee Indemnity Provision means clauses 9.2 and 9.3 of this Deed and clauses 16.9(c) and 16.9(d) of the Shareholders' Deed.

Obligations means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Nominee under or in respect of this Deed or the Shareholders' Deed.

Overhead Cost means overhead expenses, including rent, office maintenance and salaries.

Related Body Corporate has the meaning given in the Shareholders' Deed.

Scheme means the scheme of arrangement implemented pursuant to the Scheme Implementation Deed.

Scheme Implementation Deed means the agreement dated 9 August 2023 for the acquisition of shares in the Target by the Company or one of its wholly owned subsidiaries pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act.

Separate Trust means each trust established in accordance with clause 2.2.

Separate Trust Property means, in the case of each Beneficial Holder, the number and class of Shares held by the Nominee for and on behalf of that Beneficial Holder, as shown in the Trusts Register, together with any and all Accretions relating to those Shares which have been paid to the Nominee and not distributed to the relevant Beneficial Holder .

Shareholders' Deed means the agreement dated [•] between the Shareholders of the Company in relation to the finance, control and management of the Company.

Shares means Class B Shares in the Company and held by the Nominee (as the registered legal owner) on trust for the relevant Beneficial Holder as contemplated by clause 17 of the Shareholders' Deed.

Special Resolution of Beneficial Holders means a resolution of the Company passed by at least 75% of the votes cast by Beneficial Holders where:

- (a) only Beneficial Holders can vote on the resolution; and
- (b) each Beneficial Holder is entitled to cast a vote for each Share held on trust for, or on behalf of, the Beneficial Holder under this deed; and
- (c) Part 2G.2 of the *Corporations Act 2001* (Cth) applies as if each Beneficial Holder were a member of the Company.

Target means InvoCare Limited (ACN 096 437 393).

Taxable Supply has the meaning given by the GST Law excluding the reference to section 84-5 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Tax Invoice has the meaning given by the GST Law.

TPG Group has the meaning given to that term in clause 10.

Trusts Register means the register of Separate Trusts established and maintained by the Company in accordance with clause 4.

2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;



- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of a recognised stock exchange and is a reference to that law as amended, consolidated or replaced;
- (viii) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (ix) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

Schedule 2 Initial Beneficial Holders

	Holder
	[•]



Schedule 3 Nominees Fees

[To be inserted]

Execution page

Executed and delivered as a deed.

Signed, sealed and delivered by **Eternal Aus HoldCo Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)



Appendix E HoldCo Shareholders' Deed

continued

Signed, sealed and delivered by **Pacific Custodians Pty Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as a deed

Signed, sealed and delivered by **Eternal Aus HoldCo Ltd** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed, sealed and delivered by **Blue Eternal Holdings Pte. Ltd.** by:

Signature of witness

Signature of authorised signatory

Name of witness (print)

Name of authorised signatory (print)

Signed, sealed and delivered by authorised signatory for and on behalf of TPG Asia VIII SPV GP, LLC acting in its capacity as general partner of **TPG Eternal Co-invest, L.P.**

in the presence of the following witness:

Signature of witness

Signature of authorised signatory

Name of witness (print)

Name of authorised signatory (print)



Attachment A Accession Deed Poll

Date:

Parties

1 *[Insert name of acceding party]* of *[insert address]* (**Acceding Party**)

The Acceding Party agrees in favour of and for the benefit of each and all of the following:

- (A) the parties to the shareholders' deed (**Shareholders' Deed**) dated [#] made among Eternal Aus HoldCo Ltd (ACN 669 042 782) (**Company**) and the Initial TPG Shareholders (as defined in the Shareholders' Deed); and
 - (B) all persons who are or subsequently become shareholders of the Company, (collectively, the **Continuing Parties**).
-

1 Defined terms and interpretation

1.1 Defined terms

Words and expressions used in this deed have the same meaning as those used in the Shareholders' Deed relating to the Company dated [#], as amended, varied, novated or supplemented from time to time (**Shareholders' Deed**), unless the context otherwise requires.

1.2 Interpretation

Clauses 1.1 and 1.2 of Schedule 2 of the Shareholders' Deed apply in the interpretation of this deed.

2 Accession

- (a) Subject to the terms of this deed, the Acceding Party accedes to the Shareholders' Deed as if it were an original party to the Shareholders' Deed on and from the date that the Acceding Party is registered as a holder of Shares (**Accession Date**).
 - (b) Subject to clauses 3 and 4, the Discontinuing Party ceases to be a party to the Shareholders' Deed on and from the Accession Date.
-

3 Parties to be bound

- (a) In all cases of accession on a transfer of Shares to a third party, and subject to clauses 4 and 5, the Acceding Party undertakes to be bound by all the terms of the Shareholders' Deed from the Accession Date as if the definition of "Shareholder" included the Acceding Party.
 - (b) Without limiting clause 3(a), and subject to clauses 4 and 5, the Acceding Party is bound by all the terms of the Shareholders' Deed from the Accession Date as if each reference to the Discontinuing Party in the Shareholders' Deed were a reference to the Acceding Party and not to the Discontinuing Party.
-

4 Acceding party not subject to pre-accession liabilities

Notwithstanding any other provision of this deed, but subject to the Shareholders' Deed, the Acceding Party is not liable upon accession for any liabilities of the Discontinuing Party which accrued prior to the Accession Date or which relate to any act or omission prior to the Accession Date.

5 No further rights and release from obligations

With effect from the Accession Date, the Discontinuing Party:

- (a) has no further rights against any of the Continuing Parties under the Shareholders' Deed other than rights that arise before the Accession Date; and
- (b) releases each Continuing Party from all obligations and liabilities under the Shareholders' Deed other than obligations and liabilities that arise before the Accession Date.

6 Representations and warranties

The Acceding Party represents and warrants the following to each other party and to each Continuing Party:

- (a) **registration:** if a body corporate, it is duly registered and validly existing under the laws of the country of its registration;
- (b) **power and authority:** it has the power and authority to enter into and perform its obligations under this deed and to carry out the transactions contemplated by the Shareholders' Deed;
- (c) **action:** it has taken all necessary action to authorise the entry into and performance of, this deed and to carry out the transactions contemplated by the Shareholders' Deed;
- (d) **binding obligation:** this deed constitutes legal, valid and binding obligations on it; and
- (e) **no contravention:** neither the execution and performance by it of this deed nor any transaction contemplated under the Shareholders' Deed will violate in any respect any provision of:
 - (i) its constituent documents; or
 - (ii) any other applicable law, document, agreement or other arrangement binding upon it or its assets.

7 General

7.1 Address of Acceding Party for notices

For the purposes of the Shareholders' Deed the address of the Acceding Party to which all notices must be delivered in accordance with clause 23 of the Shareholders' Deed is:



Acceding Party

[insert Acceding party's name]

Address: *[insert address]*

Email: *[insert email address]*

Attention: *[insert name]*

7.2 Governing law

This deed is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

7.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party or any Continuing Party to give effect to the provisions of this deed poll and the transactions contemplated by it.

7.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

7.5 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

7.6 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this deed.

7.7 Amendment

This deed poll can only be amended or replaced by another document executed by the parties and each Continuing Party.

7.8 Service of process

[This section to be inserted if the Acceding Party is not incorporated in Australia.]

[insert Acceding party's name] irrevocably appoints *[insert local agent]* as its agent for the service of process in Australia in relation to any matter arising out of this deed and the Shareholders' Deed. If *[insert name of local agent]* ceases to be able to act as such or have an address in Australia, *[insert Acceding party's name]* agrees to appoint a new process agent in Australia and deliver to the other parties within 20 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed and the Shareholders' Deed. *[insert Acceding party's name]* must inform the other parties in writing of any change in the address of its process agent within 20 Business Days of the change.



Attachment A to Accession Deed Poll - Shareholders' Deed

[Annex copy of Shareholders' Deed]



APPENDIX F

HoldCo Constitution



Amended and restated Constitution

Eternal Aus HoldCo Ltd (ACN 669 042 782)
(A public company limited by shares)

11 September 2023

SYDNEY | MELBOURNE | PERTH

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Background

Eternal Aus HoldCo Ltd (ACN 669 042 782) (the **Company**) was incorporated on 22 June 2023, on which date the Company adopted a constitution.

Pursuant to the resolutions passed by the board of directors of the Company and the resolutions passed by the members of the Company, each set of resolutions dated 11 September 2023, the Company has resolved to, among other things:

- (i) reclassify its Ordinary Shares to be titled "Class A Shares"; and
- (ii) amend and restate its constitution in full as set forth below to, among other things, create new classes of shares of the Company.

All references to "constitution" in this document and all other documents of the Company shall be taken to mean this amended and restated constitution on and from 11 September 2023.

1 Dictionary

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the Dictionary in Schedule 1 has the meaning given to it in the Dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out the rules of interpretation which apply to this constitution and clarifies the effect of the Corporations Act on this constitution.

2 Shareholders' Deed applies

2.1 Relationship between constitution and Shareholders' Deed

Upon adoption of the Shareholders' Deed, this constitution has effect subject to the Shareholders' Deed. To the extent that this constitution and the Shareholders' Deed deal with the same or a similar topic differently:

- (a) the Shareholders' Deed prevails in relation to that topic and the remainder of this constitution will continue to apply to the extent that it is not inconsistent with the terms of the Shareholders' Deed; and
- (b) the members must do everything within their power to amend this constitution to remove any such difference and the Company, each director and each member must comply with the prevailing terms of the Shareholders' Deed as if incorporated in this constitution.

2.2 Director acting in compliance with Shareholders' Deed

Where rule 2.1 applies and a director acts in accordance with the Shareholders' Deed:

- (a) the fact that the director has acted in accordance with the Shareholders' Deed:
 - (i) is taken to be an act that is in the best interest of the Company as a whole; and



- (ii) is not taken to be a breach of any duty owed by that director to the Company or a breach of this constitution;
- (b) neither the Company nor the members may take any steps to pursue the director for a breach of duty if the only basis for the breach is conduct permitted by this rule 2.2; and
- (c) if, contrary to rule 2.2(a), the conduct is a breach of duty or a breach of this constitution, to the extent permitted by law, each member must take all steps necessary to:
 - (i) consent to, excuse, ratify or authorise the breach; and
 - (ii) otherwise release the director from any liability arising from the breach of duty or this constitution.

3 Share capital

3.1 Shares

- (a) Subject to this constitution, the directors have the right to issue shares or grant options over shares to any person and they may do so on the conditions they think fit.
- (b) Shares referred to in rule 3.1(a) may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise, as the directors think fit.
- (c) This rule must not be construed so as to adversely affect any special rights of holders of any shares or class of shares.

3.2 Certificates

- (a) Each member is entitled without payment to receive a certificate for shares issued as required under the Corporations Act.
- (b) The directors may order that lost, damaged or defaced share certificates be cancelled and, if necessary, replaced by new share certificates.

3.3 Class A Shares

- (a) Class A Shares are and shall only be held by the TPG Shareholder (unless the TPG Shareholder determine otherwise).
- (b) Each Class A Share when issued will rank equally in all respects with each other Class A Share.
- (c) Class A Shares confer the following rights to the holders thereof, in each case, subject to the terms of the Shareholders' Deed and the Corporations Act:
 - (i) **attending general meetings:** the right to:
 - (A) receive notice of a general meeting; and
 - (B) attend the general meeting;

- (ii) **voting:** the right to vote with such number of votes being equivalent to the number of fully paid Class A Shares held by it;
 - (iii) **dividends:** the right to payment of a cumulative dividend, accruing from day to day and payable on the amount paid on the Class A Share at the time and at the rate, which may be fixed or variable, specified or determined under the terms of issue, as decided by the board of directors of the Company; and
 - (iv) **other rights:** all other rights of Class A Shareholders specified in the Shareholders' Deed or otherwise provided for under the Corporations Act.
- (d) Any Class B Share or Class C Share acquired by a TPG Shareholder will automatically be re-classified as a Class A Share and have the rights attached to all other Class A Shares, unless otherwise determined by the TPG Shareholder acquiring such Class B Share or Class C Share (as applicable).
 - (e) For the avoidance of doubt, any reference in the Company's documents to "Ordinary Shares" shall mean "Class A Shares".

3.4 Class B Shares

- (a) Class B Shares shall be held by Rolling Shareholders.
- (b) Each Class B Share when issued will rank equally in all respects with each other Class B Share.
- (c) The Class B Shares confer the following rights to the holders thereof, in each case, subject to the terms of the Shareholders' Deed and the Corporations Act:
 - (i) **attending general meetings:** the right to:
 - (A) receive notice of a general meeting; and
 - (B) attend the general meeting;
 - (ii) **voting:** the right to vote with such number of votes being equivalent to the number of fully paid Class B Shares held by it;
 - (iii) **dividends:** the right to payment of a cumulative dividend, accruing from day to day and payable on the amount paid on the Class B Share at the time and at the rate, which may be fixed or variable, specified or determined under the terms of issue, as decided by the board of directors of the Company; and
 - (iv) **other rights:** all other rights of Class B Shareholders specified in the Shareholders' Deed or otherwise provided for ordinary shares under the Corporations Act.
- (d) Any Class B Share acquired by a TPG Shareholder will automatically be re-classified as a Class A Share, unless otherwise determined by the TPG Shareholder acquiring such Class B Share.

3.5 Class C Shares

- (a) Class C Shares shall be held by employees, executive directors or non-executive directors of a Group Company and/or employees of, advisers to, and/or affiliates of the TPG Shareholder, as determined by the board of directors of the Company.



- (b) Each Class C Share when issued will rank equally in all respects with each other Class C Share.
- (c) **No general meetings or voting:** The Class C Shares do not confer the right to receive notice of, or to attend and vote at, general meetings of the Company.
- (d) **No dividends:** The right to payment of a cumulative dividend, accruing from day to day and payable on the amount paid on the Class C Share at the time and at the rate, which may be fixed or variable, specified or determined under the terms of issue, as decided by the board of directors of the Company.
- (e) **Other rights:** All other rights and obligations attached to the Class C Shares shall be those specified in the Management Securityholders' Deed or otherwise provided for ordinary shares under the Corporations Act.
- (f) Any Class C Share acquired by a TPG Shareholder will automatically be re-classified as a Class A Share, unless otherwise determined by the TPG Shareholder acquiring such Class C Share.

3.6 Class M Shares

- (a) Class M Shares shall be issued in connection with any management equity plan adopted and operated by the Company.
- (b) Each Class M Share when issued will rank equally in all respects with each other Class M Share.
- (c) **No general meetings or voting:** The Class M Shares do not confer the right to receive notice of, or to attend and vote at, general meetings of the Company.
- (d) **No dividends:** The Class M Shares do not confer any dividend rights.
- (e) **Other rights:** All other terms of the Class M Shares shall be specified in the documents establishing a management equity plan of the Company, including a Management Securityholders' Deed, and shall otherwise include those provided for under the Corporations Act.

3.7 Variation of rights

- (a) The directors may vary any of the rights attaching to the Class B Shares, the Class C Shares and/or the Class M Shares at any time by resolution of the board of directors (a **Share Term Variation**), with the Share Term Variation being effective from the date the applicable resolutions was passed by the board of directors, so long as each affected shareholder has been given notice of such Share Term Variation within seven days of the resolution of the board of directors effectuating such Share Term Variation (a **Notice of Variation**).
- (b) Each affected shareholder will be deemed to have automatically consented to any Share Term Variation, except where the Share Term Variation prejudices the class of shareholders in a manner that is materially and adversely disproportionate as compared to the Class A Shareholders, in which case, the variation of class rights must be approved by Class B Shareholders, the Class C Shareholders and/or the Class M Shareholders holding more than 75% of the relevant class(es) of shares (as applicable).
- (c) Notwithstanding any other provisions in this constitution:

- (i) any Class B Share or Class C Share acquired by the TPG Shareholder will automatically be re-classified as Class A Shares, unless otherwise determined by the TPG Shareholder when acquiring such Class B Share or Class C Share and any such re-classification will not require the consent of the non-TPG Shareholders that hold Class B Shares or Class A Shares; and
- (ii) if the TPG Shareholder has submitted a drag notice to the Class B Shareholders, the Class C Shareholders and/or Class M Shareholders under a Shareholders' Deed or Management Securityholders' Deed, as applicable, that requires such Class B Shareholders, Class C Shareholders and/or Class M Shareholders to convert their shares into Class A Shares prior to a sale of those shares to a third party, such Class B Shares, Class C Shares and Class M Shares may be re-classified as Class A Shares and any such re-classification will not require the consent of the non-TPG Shareholders that hold Class B Shares, Class C Shares or Class M Shares that are not subject to the applicable drag notice.

3.8 Preference shares

The Company may issue preference shares from time to time. Preference shares have the following rights and restrictions:

- (a) **repayment of capital:** the right in priority to any other class of shares to repayment of the amount paid on the preference share:
 - (i) in a winding up or reduction of capital; and
 - (ii) in the case of a redeemable preference share, on redemption;
- (b) **dividends:** the right to payment of a cumulative preferential dividend in priority to the payment of a dividend on any other class of shares, accruing from day to day and payable on the amount paid on the preference share at the time and at the rate, which may be fixed or variable, specified or determined under the terms of issue;
- (c) **accrued dividends:** the right in priority to any other class of shares to the amount of any dividend accrued but unpaid on the preference share:
 - (i) in a winding up or reduction of capital; and
 - (ii) in the case of a redeemable preference share, on redemption;
- (d) **participation in surplus assets and profits:** no rights to participate in the profits or property of the Company other than as set out in this rule 3.3 whether on a winding up, reduction of capital or, in the case of a redeemable preference share, on redemption;
- (e) **attending general meetings and receiving documents:** the same right as the holder of a Class A Share to:
 - (i) receive notice of a general meeting;
 - (ii) attend the general meeting; and
 - (iii) receive notices, reports and accounts;



- (f) **voting:** the right to vote in the following circumstances and in no other circumstances:
 - (i) on a proposal to wind up the Company or reduce the share capital of the Company or on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (ii) while a dividend or part of a dividend in respect of the preference share is unpaid;
 - (iii) on a resolution to approve the terms of any buy-back agreement;
 - (iv) on a proposal that affects rights attached to the preference share; or
 - (v) during the winding up of the Company;
- (g) **redemption:** in the case of a redeemable preference share, the right to require the Company to redeem the preference share at the time and place specified under the terms of issue; and
- (h) **restrictions:** any other restrictions specified in the terms of issue.

3.9 Joint holders of shares

Where two or more persons are registered as the holders of a share, they hold it as joint tenants with rights of survivorship subject to the following provisions:

- (a) the Company is not bound to register more than three of those persons as joint holders of the share;
- (b) each of those persons and their respective legal personal representatives are liable severally as well as jointly for all payments, including calls, which are required to be made in respect of the share;
- (c) subject to rule 3.9(b), on the death of any one of them, the Company is entitled to recognise the survivor or survivors as the only person or persons who have any title to the share;
- (d) any one of those persons may give effective receipts for any dividend, interest or other distribution or payment in respect of the share;
- (e) where the Corporations Act requires the number of members to be counted, they are to be counted as one member; and
- (f) the Company is not bound to issue more than one certificate for the share and delivery of a certificate to any one of those persons is sufficient delivery to all of them.

3.10 Equitable interests in shares

- (a) The Company may treat the registered holder of a share as the absolute owner of that share.
- (b) The Company is not bound by or compelled in any way to recognise an equitable, contingent, future, partial or other right or interest in a share or unit of a share, even if the Company has notice of that right or interest.

- (c) Without in any way limiting rule 3.10(a), with the consent of the directors, shares held by a trustee may be marked in the register in such a way as to identify them as being held subject to the relevant trust.

4 Calls, forfeiture, indemnities, lien and surrender

4.1 Calls

- (a) Subject to this constitution and the terms on which any shares are issued, the directors may make calls on the members for any money unpaid on their shares which is not by the terms of issue of those shares made payable at fixed times.
- (b) When the directors issue shares they may differentiate between the holders as to the amount of calls to be paid and the times of payment.
- (c) The directors may require a call to be paid by instalments.
- (d) On receipt of at least 10 Business Days' notice, a member on whom a call is made in accordance with this constitution must pay to the Company the amount called on that member's shares at the time or times and place specified.
- (e) A call is to be taken as having been made when the resolution of the directors authorising the call was passed.
- (f) The directors may revoke or postpone a call or extend the time for payment.
- (g) A call is not invalidated by the non-receipt of a notice of a call or the accidental omission to give notice of a call to any member.
- (h) If a sum called on a share is not paid in full by the day appointed for payment, the person from whom the sum is due must pay:
 - (i) interest on the unpaid amount from the date appointed for payment of the sum to the date of actual payment, at a rate determined under rule 4.9; and
 - (ii) any costs, expenses or damages incurred by the Company in relation to the non-payment or late payment of the sum.
- (i) Any sum unpaid on a share that, by the terms of issue of the share, becomes payable on issue or at a fixed date:
 - (i) is to be treated for the purposes of this constitution as if that sum was payable under a call duly made and notified; and
 - (ii) must be paid on the date on which it is payable under the terms of issue of the share.
- (j) The directors may, to the extent permitted by law, waive or compromise all or any part of any payment due to the Company under the terms of issue of a share or under this rule 4.1.

4.2 Proceedings for recovery of calls

- (a) In an action or other proceedings for the recovery of a call, or interest or costs or expenses incurred in relation to the non-payment or late payment of a call, proof that:



- (i) the name of the defendant is entered in the register as the holder or one of the holders of the share in respect of which the call is claimed;
- (ii) the resolution making the call is recorded in the minute book; and
- (iii) notice of the call was given to the defendant in accordance with this constitution,

is conclusive evidence of the debt and it is not necessary to prove the appointment of the directors who made the call or any other matter.

- (b) In rule 4.2(a), "defendant" includes a person against whom a set-off or counter-claim is alleged by the Company and "proceedings for the recovery of a call" is to be construed accordingly.

4.3 Payments in advance of calls

- (a) The directors may accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called.
- (b) The directors may authorise payment by the Company of interest on the whole or any part of an amount accepted under rule 4.3(a), until the amount becomes payable, at a rate agreed between the directors and the member paying the amount.
- (c) The directors may repay to a member all or any part of the amount accepted under rule 4.3(a) on or before the date on which the call for such amount is due to be paid.

4.4 Forfeiture of partly paid shares

- (a) If a member fails to pay the whole of a call or instalment of a call by the time appointed for payment of the call or instalment, the directors may serve a notice on that member requiring payment of the unpaid amount, together with any interest that has accrued and all costs, expenses or damages that may have been incurred by the Company by reason of the non-payment or late payment of the call or instalment.
- (b) A notice under rule 4.4(a) must name a place and a day for payment. The day must be at least 10 Business Days after the date of service of the notice.
- (c) The notice must state that the shares on which the call was made are liable to be forfeited if the whole amount payable is not paid by the time and at the place specified in the notice.
- (d) If a member does not comply with a notice under rule 4.4(a), the shares to which the notice relates may be forfeited by a resolution of the directors. Forfeiture includes all dividends, interest and other amounts payable by the Company on the forfeited shares and not actually paid before the forfeiture.
- (e) Where a share has been forfeited:
 - (i) notice of the resolution must be given to the member in whose name the share was registered immediately before the forfeiture; and
 - (ii) an entry of the forfeiture, with the date, must be made in the register of members.

- (f) Failure to give the notice or to make the entry required under rule 4.4(e) does not invalidate the forfeiture.
- (g) The directors may:
 - (i) sell or otherwise dispose of a share which has been forfeited on the terms and in the manner the directors think appropriate;
 - (ii) at any time before a sale or disposal, cancel the forfeiture of a share on the terms the directors think appropriate; and
 - (iii) reissue a share which has been forfeited, with or without any money paid on the share by any former holder being credited as paid and on the other terms and in the manner the directors think appropriate.
- (h) A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares, but remains liable to pay, and must immediately pay, to the Company:
 - (i) all calls, instalments, interest, costs, expenses and damages owing in respect of the shares at the time of the forfeiture; and
 - (ii) interest on so much of the amount payable under rule 4.4(h)(i) as is unpaid from time to time, from the date of the forfeiture to the date of actual payment, at a rate determined under rule 4.9.
- (i) Subject to this constitution, the forfeiture of a share extinguishes all interest in, and all claims and demands against the Company in respect of, the forfeited share and all other rights incident to the share.
- (j) The directors may:
 - (i) exempt a share from all or any part of this rule 4.4; and
 - (ii) waive or compromise all or any part of any payment due to the Company under this rule 4.4.
- (k) The Company may by ordinary resolution passed at a general meeting cancel a share which has been forfeited under the terms on which the share is on issue.
- (l) A certificate in writing from the Company signed by a director or secretary that a share was forfeited on a specified date is sufficient evidence of the forfeiture of that share and the right and title of the Company to sell, dispose or reissue that share.

4.5 Indemnity for payments by the Company

- (a) A member or, if the member is dead, the member's legal personal representative, must indemnify the Company against any liability which the Company has under any law to make a payment for or on account of that member including in respect of:
 - (i) shares held by that member, solely or jointly;
 - (ii) a transfer or transmission of shares by a member; or
 - (iii) dividends, bonuses or other money due or payable or which may become due or payable to the member.



- (b) Rule 4.5(a) includes, without limitation, a payment arising from:
 - (i) the death of that member;
 - (ii) the non-payment of any income tax, capital gains tax, wealth tax or other tax by that member or the legal personal representative of that member; or
 - (iii) the non-payment of any estate, probate, succession, death, stamp or other duty by that member or the legal personal representative of that member.
- (c) The member or, if the member is dead, the member's legal personal representative, must pay to the Company immediately on demand:
 - (i) the amount required to reimburse the Company for a payment described in rule 4.5(a); and
 - (ii) interest on any part of that amount which is unpaid from the date the Company makes the payment until the date the Company is reimbursed in full for that payment, at a rate determined under rule 4.9.
- (d) The Company may refuse to register a transfer or transmission of any shares by a member or the member's legal personal representative until all money payable to the Company under rule 4.5(a) has been paid. The Company may recover an amount due and payable under rule 4.5(a) from the member or the member's legal personal representative, including by deducting all or any part of that amount from any amount payable by the Company to that member.
- (e) This rule 4.5 is in addition to any right or remedy the Company may have under the law which requires it to make the payment.
- (f) The directors may:
 - (i) exempt a share from all or any part of this rule 4.5; and
 - (ii) waive or compromise all or any part of any payment due to the Company under this rule 4.5.

4.6 Lien on shares

- (a) To the extent permitted by law, the Company has a first and paramount lien on:
 - (i) each partly paid share for all due and unpaid calls and instalments in respect of that share;
 - (ii) each share registered in the name of a holder for all money presently payable by the holder or the holder's estate to the Company; and
 - (iii) each share for any amounts the Company may be required by law to pay, and has paid, in respect of that share.
- (b) The Company's lien on a share extends to all dividends payable in respect of the share and to the proceeds of sale of the share.
- (c) The directors may sell a share on which the Company has a lien in any manner they think fit where:

- (i) an amount in respect of which a lien exists under this rule 4.6 is presently payable;
 - (ii) the Company has, not less than 14 Business Days before the date of the sale, given to the registered holder of the share a notice in writing setting out the amount in respect of which a lien exists under this rule 4.6 and is presently payable, and demanding payment of that amount; and
 - (iii) as at the date of the sale, the amount remains unpaid.
- (d) The directors may do all things necessary or desirable to protect any lien, charge or other right to which the Company may be entitled under any law or under this constitution.
- (e) Registration by the Company of a transfer of shares on which the Company has a lien releases the Company's lien in so far as it relates to sums owing by the transferor or any predecessor in title, without giving notice of its claim to the transferee.
- (f) The directors may:
- (i) exempt a share from all or any part of this rule 4.6; and
 - (ii) waive or compromise all or any part of any payment due to the Company under this rule 4.6.

4.7 Surrender of shares

- (a) The directors may accept a surrender of a share by way of compromise of any claim as to whether or not that share has been validly issued or in any other case where the surrender is within the powers of the Company.
- (b) Any share surrendered under rule 4.7(a) may be sold, reissued or otherwise disposed of in the same manner as a forfeited share.

4.8 General provisions applicable to a sale, reissue or other disposal of shares

- (a) A reference in this rule 4.8 to a disposal of shares under this constitution is a reference to:
 - (i) any sale, reissue or other disposal of a forfeited share under rule 4.4(g) or a surrendered share under rule 4.7; and
 - (ii) any sale of a share on which the Company has a lien under rule 4.6(c).
- (b) Where any shares are disposed of under this constitution, the directors may:
 - (i) receive the purchase money or consideration given for the shares on the disposal;
 - (ii) effect a transfer of the shares and, if necessary, execute, or appoint a person to execute, on behalf of the former holder an instrument of transfer of the shares or any other instrument for the purpose of giving effect to the disposal; and
 - (iii) register as the holder of the shares the person to whom the shares have been disposed of.



- (c) The title of a person to whom shares are disposed of under this constitution is not affected by an irregularity or invalidity in connection with that disposal.
- (d) The remedy of any person aggrieved by a disposal of shares under this constitution is limited to damages only and is against the Company exclusively.
- (e) The proceeds of a disposal of shares under this constitution must be applied in the payment of:
 - (i) first, the expenses of the disposal;
 - (ii) secondly, all amounts presently payable by the former holder whose shares have been disposed of; and
 - (iii) finally, but subject to any lien under rule 4.6 for money not presently payable, any remaining proceeds must be paid to the former holder as soon as practicable. The former holder must first deliver to the Company the certificate for the shares that have been disposed of or any other proof of title as the directors may accept.
- (f) Until the proceeds of a disposal of a share sold by the Company are claimed or otherwise disposed of according to law, the directors may invest the proceeds in any other way for the benefit of the Company.
- (g) The Company is not required to pay interest on money payable to a former holder under this rule 4.8.
- (h) A statement in writing signed by a director or secretary of the Company to the effect that a share in the Company has been:
 - (i) duly forfeited under rule 4.4(d);
 - (ii) duly sold, reissued or otherwise disposed of under rules 4.4(g) or 4.7; or
 - (iii) duly sold under rule 4.6(c),on a date stated in the statement is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the share and of the right of the Company to forfeit, sell, reissue or otherwise dispose of the share.

4.9 Interest payable by member

- (a) For the purposes of rules 4.1(h)(i), 4.4(h)(ii) and 4.5(c)(ii), the rate of interest payable to the Company is:
 - (i) if the directors have fixed a rate, that rate; or
 - (ii) in any other case, 10% per annum.
- (b) Interest payable under rules 4.1(h)(i), 4.4(h)(ii) and 4.5(c)(ii) accrues daily and may be capitalised monthly or at other intervals as the directors think fit.

5 Transfer and transmission of shares

5.1 Transfer of shares

- (a) Subject to this constitution and the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by an instrument in writing in any usual form or in any other form that the directors approve.
- (b) A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.
- (c) The Company must not charge a fee for the registration of a transfer of shares.
- (d) An instrument of transfer referred to in rule 5.1(a) must be signed by or on behalf of both the transferor and the transferee unless the transfer:
 - (i) relates only to fully paid shares and signature by the transferee has been dispensed with by the directors; or
 - (ii) is a sufficient transfer of marketable securities for the purposes of the Corporations Act.
- (e) An instrument of transfer referred to in rule 5.1(a) must be duly stamped if required by law to be stamped.
- (f) An instrument of transfer referred to in rule 5.1(a) must be lodged for registration at the registered office of the Company, or at such other place as the directors determine, accompanied by any evidence which the directors require to prove the title of the transferor or the transferor's right to the shares including the share certificate, if any, and to prove the right of the transferee to be registered as the owner of the shares.
- (g) Subject to the powers vested in the directors under rules 5.2, where the Company receives an instrument of transfer complying with rules 5.1(d), 5.1(e) and 5.1(f), the Company must register the transferee named in the instrument as the holder of the shares to which it relates.
- (h) The Company may retain any registered instrument of transfer received by the Company under rule 5.1(f) for any period as the directors think fit.
- (i) Except in the case of fraud, the Company must return any instrument of transfer received under rule 5.1(f) which the directors decline to register to the person who deposited it with the Company.
- (j) The directors may, to the extent permitted by law, waive all or any of the requirements of this rule 5.1.

5.2 Power to decline registration of transfers

- (a) Subject to any special rights conferred on the holders of any shares or class of shares, the directors may, in their absolute discretion, decline to register any transfer of shares, including if:



- (i) the Corporations Act or a law about stamp duty requires the Company to do so;
 - (ii) the transfer is not in registrable form;
 - (iii) the shares are not fully paid;
 - (iv) the Company has a lien on the shares; or
 - (v) the directors have not been given any further information they reasonably require to establish the right of the person transferring the shares to make the transfer.
- (b) Notwithstanding rule 5.2(a) (or any other provision in this constitution), the directors must not decline to register any transfer of shares where such transfer is made to:
- (i) a person entitled to the benefit of a Security Interest (whether or not as agent, trustee or nominee for a person entitled to the benefit of the Security Interest); or
 - (ii) a person who purchases the shares from the holder of those shares or a person entitled to the benefit of the Security Interest (or a person acting as agent, trustee or nominee on its behalf),

pursuant to, or in connection with, the enforcement of that Security Interest in respect of the shares and, for the avoidance of doubt, any such person (including any agent, trustee or nominee for a person entitled to the benefit of the Security Interest) may be registered as the holder of such shares pursuant to, or in connection with, such enforcement.

5.3 Transmission of shares

- (a) In the case of the death of a member, the only persons the Company will recognise as having any title to the member's shares or any benefits accruing in respect of those shares are:
- (i) the legal personal representative of the deceased, where the deceased was a sole holder; and
 - (ii) the survivor or survivors, where the deceased was a joint holder.
- (b) Nothing in rule 5.3(a) releases the estate of a deceased member from any liability in respect of a share, whether that share was held by the deceased solely or jointly with other persons.
- (c) A person who becomes entitled to a share as a result of a Transmission Event may elect:
- (i) to be registered as the holder of the share by signing and serving on the Company a notice in writing stating that election; or
 - (ii) to have some other person nominated by that person registered as the transferee of the share by executing or otherwise effecting a transfer of the share to that other person,

after producing any evidence the directors require to prove that person's entitlement to the share, including the certificate for the share.

- (d) The provisions of this constitution relating to the right to transfer, and the registration of transfers of, shares apply, so far as they can and with the changes as are necessary, to any transfer under rule 5.3(c)(ii) as if the relevant Transmission Event had not occurred and the transfer were executed or effected by the registered holder of the share.
- (e) If two or more persons become jointly entitled to a share under a Transmission Event, on registration as the holders of the share, those persons are taken to hold the share as joint tenants subject to this rule 5.3.
- (f) Despite rule 5.3(a), the directors may register a transfer of shares signed by a member before a Transmission Event even though the Company has notice of the Transmission Event.

6 General meetings

6.1 Convening of general meetings

- (a) A general meeting may be convened by:
 - (i) the directors by resolution of the board;
 - (ii) the directors upon request by members in accordance with section 249D of the Corporations Act; or
 - (iii) members or the court in accordance with sections 249E, 249F and 249G of the Corporations Act.
- (b) A general meeting requested by members in accordance with section 249D of the Corporations Act must be convened by the directors in accordance with section 249D of the Corporations Act.
- (c) Subject to rule 6.1(e), the directors may postpone, cancel or change the venue for a general meeting by giving notice not later than five Business Days before the time at which the general meeting was to be held to each person who is at the date of the notice:
 - (i) a member;
 - (ii) a director; or
 - (iii) an auditor of the Company.
- (d) A notice postponing or changing the venue for a general meeting must specify the date, time and place of the general meeting.
- (e) A general meeting convened under section 249D of the Corporations Act may not be postponed beyond the date by which section 249D requires it to be held and may not be cancelled without the consent of the member or members who requested it.

6.2 Notice of general meetings

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits



prescribed by the Corporations Act and in the manner authorised by rule 14.1 to each person who is at the date of the notice:

- (i) a member;
 - (ii) a director; or
 - (iii) an auditor of the Company.
- (b) A notice of a general meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting and any other matters required under the Corporations Act.
- (c) A person may waive notice of any general meeting by notice in writing to the Company.
- (d) The non-receipt of notice of a general meeting or proxy form by, or any failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 6.2 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:
- (i) the non-receipt or failure occurred by accident or error; or
 - (ii) before or after the meeting, the person:
 - (A) has waived or waives notice of that meeting under rule 6.2(c); or
 - (B) has notified or notifies the Company of the person's agreement to that act, matter, thing or resolution by notice in writing to the Company.
- (e) A person's attendance at a general meeting:
- (i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

6.3 Quorum at general meetings

- (a) No business may be transacted at any general meeting, except the election of a chair and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business and remains present throughout the meeting.
- (b) A quorum consists of:
- (i) if the number of members entitled to vote is two or more, two of those members; or
 - (ii) if only one member is entitled to vote, that member,
present at the meeting.

- (c) If a quorum is not present within 30 minutes after the time appointed for a general meeting:
 - (i) where the meeting was convened by, or at the request of, a member or members, the meeting must be dissolved; or
 - (ii) in any other case:
 - (A) the meeting stands adjourned to the day, and at the time and place, as the directors determine or, if no determination is made by the directors, to the same day in the next week at the same time and place; and
 - (B) if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

6.4 Chair of general meetings

- (a) The chair of directors must preside as chair at each general meeting if present within 15 minutes after the time appointed for the meeting and willing to act.
- (b) If at a general meeting:
 - (i) there is no chair of directors;
 - (ii) the chair of directors is not present within 15 minutes after the time appointed for the meeting; or
 - (iii) the chair of directors is present within that time but is not willing to act as chair of the meeting,

the directors present may elect a person present to chair the meeting.
- (c) Subject to rules 6.4(a) and 6.4(b), if at a general meeting:
 - (i) a chair has not been previously elected by the directors; or
 - (ii) a previously elected chair is not available or is not willing to act as a chair of the meeting (or part of the meeting),

the members present must elect as chair of the meeting another person who is present and willing to act.

6.5 Use of technology at general meetings

- (a) The Virtual Meeting Technology may be used in holding a general meeting either on its own without a main place of attendance (**Virtual Meeting**) or by linking several meeting places to the main place of the general meeting (**Hybrid Meeting**).
- (b) Where a general meeting is held by Virtual Meeting Technology without a main place of attendance, the place of the meeting is deemed to be the registered office of the Company and the time of the meeting is taken to be the time at the registered office of the Company.
- (c) Where a general meeting is a Virtual Meeting or a Hybrid Meeting:



- (i) a member participating in the meeting is taken to be present in person at the meeting;
 - (ii) a member is entitled to exercise all rights as if he or she was present at the notified place; and
 - (iii) a resolution put to a vote at the meeting must be decided on by a poll.
- (d) The chair may arrange for any persons attending a general meeting (including persons who the chair considers cannot be accommodated in the place where the meeting is notified to take place) to attend the meeting from one or more separate places using Virtual Meeting Technology.
- (e) If the technology used in rule 6.5(c) encounters a technical difficulty, whether before or during the general meeting, which results in a member not being able to participate in the meeting, the chair may, subject to the Corporations Act and rule 6.3:
- (i) allow the meeting to continue; or
 - (ii) adjourn the meeting either for a reasonable period of time as may be required to fix the technology or to such other date, time and location as the chair of the meeting considers appropriate.
- (f) For the avoidance of doubt, where the chair has allowed the general meeting to continue in accordance with rule 6.5(e)(i), any resolution passed at that meeting is valid.

6.6 Conduct and adjournment of general meetings

- (a) Any question arising at a general meeting relating to the order of business, procedure or conduct of the meeting must be referred to the chair of the meeting, whose decision is final.
- (b) The chair of a general meeting may, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) It is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting unless a meeting is adjourned for 30 days or more. In that case, notice of the adjourned meeting must be given to each person entitled to receive notice of a meeting under rule 6.2(a).

6.7 Decisions at general meetings

- (a) Except in the case of any resolution which as a matter of law requires a special resolution, questions arising at a general meeting are to be decided by a majority of votes cast by the members present at the meeting and any such decision is for all purposes a decision of the members.
- (b) In the case of an equality of votes on a proposed resolution:
 - (i) the chair of the meeting does not have a second or casting vote; and
 - (ii) the proposed resolution is taken as having been lost.

- (c) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded before a vote by show of hands is taken or before or immediately after the declaration of the result of the show of hands:
 - (i) by the chair of the meeting;
 - (ii) by at least five members present and entitled to vote on the relevant resolution; or
 - (iii) by a member or members present at the meeting and representing at least 5% of the votes that may be cast on the resolution on a poll.
- (d) A demand for a poll does not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded.
- (e) Unless a poll is duly demanded, a declaration by the chair of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (f) If a poll is duly demanded at a general meeting, it will be taken when and in the manner the chair of the meeting directs, and the result of the poll will be the resolution of the meeting at which the poll was demanded.
- (g) A poll cannot be demanded at a general meeting on the election of a chair of the meeting.
- (h) The demand for a poll may be withdrawn.

6.8 Voting rights

- (a) Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:
 - (i) on a show of hands, every member present has one vote;
 - (ii) on a poll, every member present has:
 - (A) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (B) a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share; and
 - (iii) for the purposes of rule 6.8(a)(ii)(B), an amount paid on a share in advance of a call is to be ignored.
- (b) Where a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member the following rules apply to a vote taken on a show of hands:



- (i) the person is entitled to one vote only despite the number of members the person represents; and
 - (ii) the person's vote will be taken as having been cast for all the members the person represents.
- (c) A joint holder may vote at any meeting in person or by proxy, attorney or Representative as if that person was the sole holder. If more than one joint holder tenders a vote, only the vote of the holder whose name appears first in the register of members counts.
- (d) The parent or guardian of an infant member may vote at a general meeting on evidence being produced of the relationship or of the appointment of the guardian as the directors may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.
- (e) A person entitled to a share as a result of a Transmission Event may vote at a general meeting in respect of that share in the same manner as if that person were the registered holder of the share if, before the meeting, the directors have:
 - (i) admitted that person's right to vote at that meeting in respect of the share; or
 - (ii) been satisfied of that person's right to be registered as the holder of, or to transfer, the share under rule 5.3(c),and any vote tendered by that person must be accepted to the exclusion of the vote of the registered holder of the share.
- (f) Where a member holds any share on which any call due and payable to the Company has not been duly paid:
 - (i) that member is only entitled to be present at a general meeting and vote if other shares are held by that member on which no call is then due and payable; and
 - (ii) upon a poll, that member is not entitled to vote in respect of that share but may vote in respect of any other shares held upon which no call is then due and payable.
- (g) An objection to the qualification of a person to vote at a general meeting:
 - (i) must be raised before or immediately after the result of the motion on which the vote objected to is given or tendered; and
 - (ii) must be referred to the chair of the meeting, whose decision is final.
- (h) A vote not disallowed by the chair of a meeting under rule 6.8(g) is valid for all purposes.

6.9 Representation at general meetings

- (a) Subject to this constitution, each member entitled to vote at a meeting of members may vote:
 - (i) in person or, where a member is a body corporate, by its Representative;

- (ii) by proxy or, if the member is entitled to cast two or more votes at the meeting, by not more than two proxies; or
 - (iii) by not more than two attorneys.
- (b) A proxy, attorney or Representative may be a member of the Company but does not have to be a member.
- (c) A proxy, attorney or Representative may be appointed for all general meetings, or for any number of general meetings, or for a particular general meeting (including under the terms of the Shareholders' Deed).
- (d) Unless otherwise provided in the Corporations Act or in the appointment, an appointment of a proxy, attorney or Representative will be taken to confer authority:
- (i) to agree to a meeting being convened by shorter notice than is required by the Corporations Act or by this constitution;
 - (ii) to speak to any proposed resolution on which the proxy, attorney or Representative may vote;
 - (iii) to demand or join in demanding a poll on any resolution on which the proxy, attorney or Representative may vote;
 - (iv) even though the appointment may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions:
 - (A) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
 - (B) to vote on any procedural motion, including any motion to elect the chair, to vacate the chair or to adjourn the meeting; and
 - (C) to act generally at the meeting; and
 - (v) even though the appointment may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.
- (e) The chair of a meeting may require any person purporting to act as a proxy, attorney or Representative to establish to the satisfaction of the chair that the person has been validly appointed as a proxy, attorney or Representative and is the person named in the relevant instrument of appointment, failing which the person may be excluded from attending or voting at the meeting. The chair may delegate his or her powers under this rule 6.9(e) to any person.
- (f) Where a member appoints two proxies or attorneys to vote at the same general meeting and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:
- (i) where the appointment does not specify the proportion or number of the member's votes which each proxy or attorney may exercise, each proxy or attorney may exercise half of the member's votes;



- (ii) on a show of hands, neither proxy or attorney may vote; and
 - (iii) on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.
- (g) An instrument appointing a proxy or attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where an instrument so provides, the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the instrument.
- (h) A proxy or attorney may not vote at a general meeting or adjourned meeting unless the instrument appointing the proxy or attorney, and the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed, are received:
- (i) at the registered office of the Company, the fax number at its registered office or another place, fax number or email address specified for that purpose in the notice convening the meeting; and
 - (ii) by the time specified in the notice of meeting.
- (i) Unless the Company has received written notice of the matter by the time and at the place or in the manner set out in rule 6.9(h), a vote cast by a proxy or attorney is valid even if, before the proxy or attorney votes:
- (i) a Transmission Event occurs in relation to the appointer;
 - (ii) the member revokes the proxy's or attorney's appointment;
 - (iii) the member revokes the authority under which a third party appointed the proxy or attorney; or
 - (iv) the member transfers the share in respect of which the proxy or attorney was appointed.
- (j) The authority of a proxy or attorney to speak and vote for a member at a general meeting is suspended while the member is present at the meeting.
- (k) The Company must include with a notice of meeting a proxy form which must provide for the appointer:
- (i) to vote for or against each resolution; and
 - (ii) to appoint proxies of the appointer's choice, but may specify who is to be appointed as proxy if the appointer does not choose.

6.10 Resolutions without meetings

- (a) Subject to rule 6.10(c), the Company may pass a resolution without a general meeting being held, if all of the members entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) For the purposes of rule 6.10(a):
 - (i) the document may be sent to members in any manner described in rule 14;

- (ii) the resolution is passed when the last member signs;
 - (iii) separate copies of a document may be used for signing by members if the wording of the resolution and statement is identical in each copy;
 - (iv) a signature of a member transmitted to the Company by facsimile or email is sufficient evidence of signature; and
 - (v) where a share is held jointly, each joint member must sign.
- (c) Rule 6.10(a) does not apply to a resolution required under the Corporations Act to be passed at general meeting.
 - (d) Where a document is signed in accordance with rule 6.10(a) the document is to be taken as a minute of the passing of the resolution.

6.11 Resolutions of single member Company

If the Company has only one member, the Company may pass a resolution by the member recording it and signing the record. That record is to be taken as a minute of the passing of that resolution.

7 Directors

7.1 Appointment and removal of directors

- (a) There must be:
 - (i) at least three directors; and
 - (ii) subject to rule 7.1(c), not more than 10 directors.
- (b) The directors in office on the date that this constitution was adopted by the Company continue in office but on the terms and conditions set out in this constitution.
- (c) The Company may by resolution of the board of directors:
 - (i) increase or reduce the maximum number of directors; and
 - (ii) appoint or remove a director.
- (d) The directors may appoint any natural person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but the total number of directors must not at any time exceed the maximum number allowed under this constitution.
- (e) Subject to rule 7.1 and the terms of any agreement entered into between the Company and the relevant director, a director holds office until the director dies or is removed from office pursuant to rule 7.1(c)(ii).

7.2 Vacation of office

The office of a director becomes vacant:

- (a) in circumstances prescribed by the Corporations Act;



- (b) if the director becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (c) if the director is convicted of an indictable offence (which does not result in disqualification under the Corporations Act), unless the directors otherwise resolve to confirm the director's appointment; or
- (d) if the director resigns by notice in writing to the Company.

7.3 Remuneration of directors

- (a) Each director is entitled to the remuneration out of the funds of the Company as the directors determine, but if the Company in general meeting has fixed a limit on the amount of remuneration payable to the directors, the aggregate remuneration of directors must not exceed that limit.
- (b) The remuneration of directors:
 - (i) may be a stated salary or a fixed sum for attendance at each meeting of directors or both; or
 - (ii) may be a share of a fixed sum determined by the Company in general meeting to be the remuneration payable to all directors which is to be divided between the directors in the proportions agreed between them or, failing agreement, equally,

and if it is a stated salary under rule 7.3(b)(i) or a share of a fixed sum under rule 7.3(b)(ii), is taken to accrue from day to day.

- (c) In addition to their remuneration under rule 7.3(a), the directors are entitled to be paid all travelling and other expenses properly incurred by them in connection with the affairs of the Company, including attending and returning from general meetings of the Company or meetings of the directors or of committees of the directors.
- (d) If a director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of the Company, the directors may arrange for a special remuneration to be paid to that director, either in addition to or in substitution for that director's remuneration under rule 7.3(a).
- (e) Nothing in rule 7.3(a) restricts the remuneration to which a director may be entitled as an officer of the Company or of a related body corporate in a capacity other than director, which may be either in addition to or in substitution for that director's remuneration under rule 7.3(a).
- (f) For the purposes of rule 7.3(a), the maximum amount (if any) fixed by the Company as remuneration payable to the directors does not include any amount paid by the Company or a related body corporate:
 - (i) to a superannuation, retirement or pension fund for a director so that the Company is not liable to pay the superannuation guarantee charge or similar statutory charge;
 - (ii) for any insurance premium paid or agreed to be paid for a director under rule 13.4; or
 - (iii) to an executive director of the Company as remuneration.

- (g) The directors may, subject to the Corporations Act:
 - (i) at any time after a director dies or otherwise ceases to hold office as a director, pay to the director or a legal personal representative, spouse, relative or dependant of the director, in addition to the remuneration of that director under rule 7.3(a), a pension or lump sum payment for past services rendered by that director; and
 - (ii) cause the Company to enter into a contract with the director for the purpose of providing for or giving effect to that payment.
- (h) The directors may establish or support, or assist in the establishment or support of, funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or in respect of the directors or former directors.

7.4 Director need not be a member

- (a) A director is not required to hold any shares in the Company to qualify for appointment.
- (b) A director is entitled to attend and speak at general meetings even if he or she is not a member of the Company.

7.5 Interested directors

- (a) A director may hold any other office or place of profit, other than auditor, in the Company or a related body corporate in conjunction with his or her directorship. A director may be appointed to that office or place of profit on the terms as to remuneration, tenure of office and otherwise as the directors think fit.
- (b) A director of the Company may be a director or other officer of:
 - (i) a related body corporate;
 - (ii) a body corporate promoted by the Company; or
 - (iii) a body corporate in which the Company is interested, as shareholder or otherwise,

or be otherwise interested in any of those bodies corporate. A director is not accountable to the Company for any remuneration or other benefits received by the director as a director or officer of that body corporate or from having an interest in that body corporate provided that the director discloses the interest giving rise to those benefits in accordance with the Corporations Act.

- (c) The directors may exercise the voting rights conferred by shares in any body corporate held or owned by the Company as the directors think fit. This includes voting in favour of any resolution appointing a director as a director or other officer of that body corporate, or voting for the payment of remuneration to the directors or other officers of that body corporate. A director may, if permitted by law, vote in favour of the exercise of those voting rights even if he or she is, or may be about to be appointed, a director or other officer of that other body corporate.
- (d) A director is not disqualified merely because of being a director from contracting with the Company in any respect including, without limitation:



- (i) holding any office or place of profit with a shareholder or an affiliate of a shareholder;
 - (ii) selling any property to, or purchasing any property from, the Company;
 - (iii) lending any money to, or borrowing any money from, the Company with or without interest and with or without security;
 - (iv) guaranteeing the repayment of any money borrowed by the Company for a commission or profit;
 - (v) underwriting or guaranteeing the subscription for securities in the Company or in a related body corporate or any other body corporate promoted by the Company or in which the Company may be interested as a shareholder or otherwise, for a commission or profit; or
 - (vi) being employed by the Company or acting in any professional capacity, other than auditor, on behalf of the Company.
- (e) No contract made by a director with the Company and no contract or arrangement entered into by or on behalf of the Company in which any director may be in any way interested is avoided or rendered voidable merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.
- (f) No director contracting with the Company or being interested in any arrangement involving the Company is liable to account to the Company for any profit realised by or under a contract or arrangement of that kind merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.
- (g) Subject to rules 7.5(h) and 7.5(i), a director who is in any way interested in a contract or arrangement or proposed contract or arrangement may, despite that interest:
- (i) be counted in determining whether or not a quorum is present at any meeting of directors considering that contract or arrangement or proposed contract or arrangement;
 - (ii) vote in respect of the contract or arrangement or proposed contract or arrangement or any matter arising out of those things; and
 - (iii) sign or countersign any document relating to that contract or arrangement or proposed contract or arrangement.
- (h) Rule 7.5(g) does not apply if, and to the extent that, it would be contrary to the Corporations Act.
- (i) The directors may make regulations requiring the disclosure of interests that a director, and any person deemed by the directors to be related to or associated with the director, may have in any matter concerning the Company or a related body corporate. Any regulations made under this rule 7.5(i) bind all directors and apply in addition to any obligations imposed on the directors by the Corporations Act to disclose interests to the Company.

7.6 Powers and duties of directors

- (a) The directors are responsible for managing the business of the Company and may exercise to the exclusion of the Company in general meeting all the powers of the Company which are not required, by the Corporations Act or this constitution, to be exercised by the Company in general meeting.
- (b) Without limiting rule 7.6(a), the directors may exercise all the powers of the Company to borrow or otherwise raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures, give any indemnities or guarantees, or give any other security for a debt, liability or obligation of the Company or of any other person.
- (c) The directors may determine how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments or other documents must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by or on behalf of the Company.
- (d) The directors may pay out of the Company's funds all expenses of the promotion, formation and registration of the Company and the vesting in it of the assets acquired by it.
- (e) The directors may:
 - (i) appoint or employ any person to be an officer, agent or attorney of the Company for the purposes, for the period and on the conditions as they think fit;
 - (ii) resolve to delegate any of their powers to an officer, agent or attorney and the officer, agent or attorney must exercise the powers delegated in accordance with any directions of the directors;
 - (iii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (iv) subject to any contract between the Company and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney of the Company at any time, with or without cause.
- (f) A power of attorney may contain provisions for the protection and convenience of the attorney or persons dealing with the attorney as the directors think fit.

7.7 Proceedings of directors

- (a) The directors may hold meetings for the conduct of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) Subject to the Corporations Act, the contemporaneous linking together by a form of technology of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the directors and all the provisions in this constitution relating to meetings of the directors apply, so far as they can and with such changes as are necessary, to meetings of the directors held using a form of technology.
- (c) A meeting by telephone or other electronic means is taken to be held at the place where the chair of the meeting is or at such other place the chair of the meeting



decides on, as long as at least one of the directors involved was at the place for the duration of the meeting.

- (d) A meeting by telephone or other electronic means is taken to be held at the place where the chair of the meeting is or at such other place the chair of the meeting decides on, as long as at least one of the directors involved was at the place for the duration of the meeting.
- (e) If, before or during the meeting, any technical difficulty occurs whereby one or more director has ceased to participate, the chair may adjourn the meeting until the difficulty is remedied or may, provided a quorum of directors remains present, continue with the meeting.

7.8 Convening of meetings of directors

- (a) A director may, whenever the director thinks fit, convene a meeting of the directors by giving notice in accordance with rule 7.9.
- (b) A secretary must, on the requisition of a director, convene a meeting of the directors.

7.9 Notice of meetings of directors

- (a) Subject to this constitution, notice of a meeting of directors must be given to each person who is at the time of giving the notice:
 - (i) a director, other than a director on leave of absence approved by the directors; or
 - (ii) an alternate director appointed under rule 7.14 by a director on leave of absence approved by the directors.
- (b) A notice of a meeting of directors:
 - (i) must specify the date, time and place of the meeting (and if the meeting is to be held in two or more places the technology that will be used to facilitate this);
 - (ii) need not state the nature of the business to be transacted at the meeting;
 - (iii) may be given in person or by post, or, subject to the Corporations Act, by a form of technology; and
 - (iv) is taken to have been given to an alternate director if it is given to the director who appointed that alternate director.
- (c) A director or alternate director may waive notice of a meeting of directors by notifying the Company to that effect in person or by post, or by a form of technology.
- (d) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, a director does not invalidate any act, matter or thing done or resolution passed at the meeting if:
 - (i) the non-receipt or failure occurred by accident or error;

- (ii) before or after the meeting, the director or an alternate director appointed by the director:
 - (A) waives notice of that meeting under rule 7.9(c); or
 - (B) notifies the Company of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
 - (iii) the director or an alternate director appointed by the director attended the meeting.
- (e) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, an alternate director of a director on leave of absence approved by the directors does not invalidate any act, matter or thing done or resolution passed at the meeting if:
- (i) the non-receipt or failure occurred by accident or error;
 - (ii) before or after the meeting, the alternate director or the director who appointed the alternate director:
 - (A) waives notice of that meeting under rule 7.9(c); or
 - (B) notifies the Company of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
 - (iii) the alternate director or the director who appointed the alternate director attended the meeting.
- (f) Attendance by a person at a meeting of directors waives any objection that person and:
- (i) if the person is a director, an alternate director appointed by that person; or
 - (ii) if the person is an alternate director, the director who appointed that person as alternate director,
- may have to a failure to give notice of the meeting.

7.10 Quorum at meetings of directors

- (a) No business may be transacted at a meeting of directors unless there is a quorum of directors at the time the business is dealt with.
- (b) A quorum consists of:
 - (i) if the directors have fixed a number for the quorum, that number of directors;
 - (ii) in the case of a Company with a single director, that director; or
 - (iii) in any other case, two directors.
- (c) If there is a vacancy in the office of a director, the remaining director or directors may act but, if the number of remaining directors is not sufficient to constitute a quorum at a meeting of directors, the remaining director or directors may act only in an emergency or for the purpose of increasing the number of directors to a number



sufficient to constitute a quorum or of convening a general meeting of the Company.

7.11 Chair of directors

- (a) The directors may elect one of the directors to the office of chair of directors and may determine the period for which that director is to be chair of directors.
- (b) The office of chair of directors may be treated as an extra service or special exertion performed by the director holding that office for the purposes of rule 7.3(d) if:
 - (i) the directors resolve to do so; and
 - (ii) the total amount fixed by the Company for remuneration of directors under rule 7.3(a) will not be exceeded.
- (c) Subject to rule 7.11(d), the chair of directors must preside as chair at each meeting of directors, if present within 10 minutes after the time appointed for the holding of the meeting and willing to act.
- (d) If at a meeting of directors:
 - (i) there is no chair of directors;
 - (ii) the chair of directors is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (iii) the chair of directors is present within that time but is not willing to act as chair of the meeting or of part of the meeting,

the directors present must elect one of themselves to be chair of the meeting or part of the meeting.

7.12 Decisions of directors

- (a) A meeting of directors at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the directors under this constitution.
- (b) Questions arising at a meeting of directors are to be decided by a majority of votes cast by the directors present and a decision of that kind is for all purposes a determination of the directors.
- (c) In the case of an equality of votes on a proposed resolution:
 - (i) the chair of the meeting does not have a second or casting vote; and
 - (ii) the proposed resolution is to be taken as having been lost.

7.13 Resolutions without meetings

- (a) The directors may pass a resolution without a directors' meeting being held if:
 - (i) the form of the proposed resolution is given to all directors; and

- (ii) a majority of the directors entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used if the wording of the resolution and statement is identical in each copy.
- (c) The resolution is passed when the last director assents.
- (d) A director may signify assent to a document by signing the document or by notifying the Company of the director's assent in person or by post, fax, telephone or other method of written, audio or audio visual communication or other form of technology.
- (e) Where a director signifies assent to a document otherwise than by signing the document, the director must by way of confirmation sign the document at the next meeting of the directors attended by that director, but failure to do so does not invalidate the act, matter, thing or resolution to which the document relates.
- (f) Where a document is assented to in accordance with this rule 7.13, the document is to be taken as a minute of the passing of the resolution.

7.14 Alternate directors

- (a) A director may, with the approval of the directors, appoint a person to be the director's alternate director for a period which the director thinks fit.
- (b) An alternate director may be a member or a director of the Company but need not be a member or a director.
- (c) One person may act as alternate director to more than one director.
- (d) An alternate director is entitled, if the appointer does not attend a meeting of directors, to attend and vote in place of and on behalf of the appointer.
- (e) An alternate director is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right.
- (f) In the absence of the appointer, an alternate director may exercise any powers that the appointer may exercise and the exercise of that power by the alternate director is to be taken to be the exercise of the power by the appointer.
- (g) The office of an alternate director is vacated if and when the appointer vacates office as a director.
- (h) The appointment of an alternate director may be terminated at any time by the appointer even though the period of the appointment of the alternate director has not expired.
- (i) An appointment, or the termination of an appointment, of an alternate director must be in writing signed by the director who makes or made the appointment and does not take effect unless and until the Company has received notice in writing of the appointment or termination.
- (j) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed under this constitution.



- (k) In determining whether a quorum is present at a meeting of directors:
 - (i) where a director has appointed an alternate director, that alternate director is counted if the appointing director is not present;
 - (ii) where a person is present as director and an alternate director for another director, that person is counted separately provided that there is at least one other director or alternate director present; and
 - (iii) where a person is present as an alternate director for more than one director, that person is counted separately for each appointment provided that there is at least one other director or alternate director present.
- (l) An alternate director is entitled to be paid the remuneration which the directors think fit, either in addition to or in reduction of the remuneration payable to the director for whom the alternate director acts as alternate, provided that the total amount fixed by the Company for remuneration of directors under rule 7.3(a) is not exceeded.
- (m) An alternate director is not entitled to be remunerated by the Company for his or her services as alternate director except as provided in rule 7.14(l).
- (n) An alternate director, while acting as a director, is responsible to the Company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.

7.15 Committees of directors

- (a) The directors may resolve to delegate any of their powers to a committee or committees consisting of such number of directors as they think fit.
- (b) A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with the changes as are necessary, to meetings and resolutions of a committee of directors.
- (d) Membership of a committee of directors may be treated as an extra service or special exertion performed by the members of the committee for the purposes of rule 7.3(d) if:
 - (i) the directors resolve to do so; and
 - (ii) the total amount fixed by the Company for remuneration of directors under rule 7.3(a) will not be exceeded.

7.16 Delegation to individual directors

- (a) The directors may resolve to delegate any of their powers to one director.
- (b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) Acceptance of such a delegation may be treated as an extra service or special exertion performed by the delegate for the purposes of rule 7.3(d) if:

- (i) the directors resolve to do so; and
- (ii) the total amount fixed by the Company for remuneration of directors under rule 7.3(a) will not be exceeded.

7.17 Validity of acts

An act done by a person acting as a director or by a meeting of directors or a committee of directors attended by a person acting as a director is not invalidated by reason only of:

- (a) a defect in the appointment of the person as a director;
- (b) the person being disqualified to be a director or having vacated office; or
- (c) the person not being entitled to vote,

if that circumstance was not known by the person or the directors or committee, as the case may be, when the act was done.

8 Executive officers

8.1 Managing directors

- (a) The directors may appoint one or more of the directors to the office of managing director.
- (b) A managing director's appointment as managing director automatically terminates if the managing director ceases to be a director.

8.2 Secretaries

- (a) The directors must appoint at least one secretary and may appoint additional secretaries.
- (b) The directors may appoint one or more assistant secretaries.
- (c) Any director may also be the secretary or a secretary of the Company.

8.3 Provisions applicable to all executive officers

- (a) A reference in this rule 8.3 to an executive officer is a reference to a managing director, secretary or assistant secretary appointed under this rule 8.
- (b) Subject to any contract between the Company and the relevant executive officer, an executive officer of the Company may be removed or dismissed by the directors at any time, with or without cause. Such removal or dismissal does not remove that person from office as a director.
- (c) The directors may:
 - (i) confer on an executive officer the powers, discretions and duties as they think fit, and may resolve to delegate any powers, discretions and duties vested in or exercisable by the directors;
 - (ii) withdraw, suspend or vary any of the powers, discretions and duties conferred on an executive officer; and



- (iii) authorise the executive officer to delegate all or any of the powers, discretions and duties conferred on the executive officer.
- (d) An executive officer is not required to hold any shares to qualify for appointment.
- (e) An act done by a person acting as an executive officer is not invalidated by reason only of:
 - (i) a defect in the person's appointment as an executive officer; or
 - (ii) the person being disqualified to be an executive officer,if that circumstance was not known by the person when the act was done.

9 Seals

9.1 Adoption of common seal

- (a) The directors may determine that the Company have a common seal or that the Company no longer have a common seal, and may revoke a determination made under this rule 9.1(a).
- (b) Rules 9.2, 9.3, 9.4, 9.5 and 9.6 only apply if the Company has a common seal.

9.2 Safe custody of Seal

The directors must provide for the safe custody of the Seal.

9.3 Use of Seal

- (a) The Seal must be used only by the authority of the directors or a committee of the directors authorised by the directors to authorise the use of the Seal.
- (b) The authority to use the Seal may be given before or after the Seal is used.
- (c) Subject to rule 9.3(b) and rule 9.6, until the directors otherwise determine, the fixing of the Seal to a document must be witnessed by a director and by another director, a secretary or another person appointed by the directors to witness that document or a class of documents in which that document is included.

9.4 Duplicate seal

- (a) The Company may have for use in place of its common seal outside the state or territory where its common seal is kept one or more duplicate seals, each of which must be a replica of the common seal of the Company with the addition on its face of the words "duplicate seal" and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of the Company.

9.5 Share seal or certificate seal

- (a) The Company may have for use on certificates for securities of the Company in place of its common seal one or more duplicate seals, each of which must be a replica of the common seal of the Company with the addition on its face of the words "share seal" or "certificate seal".

- (b) A certificate for securities of the Company sealed with a share seal or certificate seal is to be taken as having been sealed with the common seal of the Company.

9.6 Sealing and signing of certificates

The directors may determine either generally or in a particular case that the Seal and the signature of any director, secretary or other person is to be printed on or affixed to any certificates for securities in the Company by some mechanical or other means.

10 Dividends and reserves

10.1 Dividends

- (a) Subject to the Corporations Act and this constitution, the directors may pay any interim and final dividends as, in their judgment, the financial position of the Company justifies.
- (b) The directors may pay any dividend required to be paid under the terms of issue of a share.
- (c) The directors may pay any dividend required to be paid under the terms of issue of a share.
- (d) The payment of a dividend does not require confirmation by a general meeting.
- (e) Subject to any rights or restrictions attached to a share or class of shares:
 - (i) all dividends in respect of a share must be paid in the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share;
 - (ii) all dividends must be apportioned and paid proportionately to the amount paid during any portion or portions of the period in respect of which the dividend is paid;
 - (iii) for the purposes of rules 10.1(e)(i) and 10.1(e)(ii), an amount paid on a share in advance of a call is to be ignored; and
 - (iv) interest is not payable by the Company in respect of any dividend.
- (f) The directors may fix a record date in respect of a dividend, with or without suspending the registration of transfers from that date under rule 5.3.
- (g) A dividend in respect of a share must be paid to the person who is registered, or entitled under rule 5.1(g) to be registered, as the holder of the share:
 - (i) where the directors have fixed a record date in respect of the dividend, on that date; or
 - (ii) where the directors have not fixed a record date in respect of that dividend, on the date the dividend is paid,

and a transfer of a share that is not registered, or left with the Company for registration in accordance with rule 5.1(f), on or before that date is not effective, as against the Company, to pass any right to the dividend.



- (h) The directors when fixing the amount and time for payment of a dividend may:
 - (i) direct payment of the dividend wholly or partly by the distribution of specific assets, including fully paid shares or other securities of the Company or of another body corporate, either generally or to specific shareholders; and
 - (ii) direct that the dividend be paid to particular shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining shareholders wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source or generally.
- (i) The directors may deduct from any dividend payable to a member all sums of money presently payable by the member to the Company and apply the amount deducted in or towards satisfaction of the money owing.
- (j) Where a person is entitled to a share as a result of a Transmission Event, the directors may, but are not obliged to, retain any dividends payable on that share until that person becomes registered as the holder of the share or transfers it.
- (k) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque and sent by post:
 - (i) to the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register of members as the address of the joint holder first named in that register; or
 - (ii) to such other address as the holder or joint holders in writing directs or direct.

This rule 10.1(k) does not adversely affect any other method of payment the directors may adopt.
- (l) A cheque sent under rule 10.1(k) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs in writing and is sent at the member's risk.
- (m) For the avoidance of doubt, this rule 10.1 does not prohibit the directors from determining that dividends be paid on shares of one class but not another class and at different rates for different classes of shares.

10.2 Capitalisation of profits

- (a) Subject to any rights or restrictions attached to any shares or class of shares, the directors may capitalise and distribute among such of the members as would be entitled to receive dividends and in the same proportions, any amount:
 - (i) forming part of the undivided profits of the Company;
 - (ii) representing profits arising from an ascertained accretion to capital or from a revaluation of the assets of the Company;
 - (iii) arising from the realisation of any assets of the Company; or
 - (iv) otherwise available for distribution as a dividend.

- (b) The directors may resolve that all or any part of the capitalised amount is to be applied:
- (i) in paying up in full any unissued shares in or other securities of the Company;
 - (ii) in paying up any amounts unpaid on shares or other securities held by the members;
 - (iii) partly as specified in rule 10.2(b)(i) and partly as specified in rule 10.2(b)(ii); or
 - (iv) in any other way permitted by the Corporations Act,
- and that application must be accepted by the members entitled to share in the distribution in full satisfaction of their interests in the capitalised amount.
- (c) Rules 10.1(e), 10.1(f) and 10.1(g) apply, so far as they can and with any necessary changes, to a capitalisation of an amount under this rule 10.2 as if references in those rules to a dividend and to the date a dividend is paid were references to a capitalisation of an amount and to the date the directors resolve to capitalise the amount under this rule 10.2 respectively.

10.3 Ancillary powers

- (a) The directors may do any of the following things to give effect to a resolution for the satisfaction of a dividend in the manner set out in rule 10.1(h)(i) or by the capitalisation of an amount under rule 10.2:
- (i) settle as they think expedient any difficulty that may arise in making the distribution or capitalisation and, in particular, where shares or other securities in the Company are or would otherwise be issuable in fractions:
 - (A) determine that fractions are to be disregarded or are to be rounded down to the nearest whole number; or
 - (B) determine that fractions are to be rounded up to the nearest whole number;
 - (ii) fix the value for distribution of any specific assets;
 - (iii) pay cash or issue shares or other securities to any members in order to adjust the rights of all parties;
 - (iv) vest any specific assets, cash, shares or other securities in a trustee on such trusts for the persons entitled to the dividend or capitalised amount as may seem expedient to the directors; and
 - (v) authorise any person to make, on behalf of all the members entitled to any further shares or other securities as a result of the distribution or capitalisation, an agreement with the Company or another body corporate providing, as appropriate:
 - (A) for the issue to them of further shares or other securities as fully paid; or



- (B) for the payment by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in this rule 10.3(a)(v) is effective and binding on all members concerned.

- (b) If the Company distributes to a member shares or other securities in the Company or another body corporate or a trust, the member appoints the Company as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

10.4 Reserves

- (a) Subject to this constitution, the directors may set aside out of the profits of the Company reserves or provisions for any purpose as they think fit.
- (b) The setting aside of an amount as a reserve or provision does not require the directors to keep the amount separate from other assets of the Company or prevent the amount being used in the business of the Company, invested as the directors think fit or subsequently distributed to members.

10.5 Capital reductions

The Company may reduce its share capital by any of the means authorised by the Corporations Act, subject to the provisions of that law. The Company may reduce its share capital in any way that is not otherwise authorised by law, including by way of an in specie distribution of the assets of the Company (including any shares, options or other securities in another body corporate), if the reduction:

- (a) is fair and reasonable to the members of the Company as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by members in accordance with section 256C of the Corporations Act.

10.6 Shares in another body corporate

Where the Company, pursuant to a reduction of its share capital in accordance with rule 10.5, distributes shares, options or other securities in another body corporate to members:

- (a) the members of the Company will be deemed to have agreed to become members of that body corporate; and
- (b) each of the members appoints the Company or any of the directors as its agent to execute any transfer or other document required to effect the distribution of shares, options or other securities to that member.

11 Winding up

11.1 Distribution of surplus

Subject to this constitution and the rights or restrictions attached to any shares or class of shares:

- (a) if the Company is wound up and the property of the Company is more than sufficient:
 - (i) to pay all of the debts and liabilities of the Company; and
 - (ii) the costs, charges and expenses of the winding up,the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares;
- (b) for the purpose of calculating the excess referred to in rule 11.1(a), any amount unpaid on a share is to be treated as property of the Company;
- (c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 11.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and
- (d) if the effect of the reduction under rule 11.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the Company.

11.2 Division of property

- (a) If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the members the whole or any part of the property of the Company; and
 - (ii) determine how the division is to be carried out as between the members or different classes of members.
- (b) A division under rule 11.2(a) may be otherwise than in accordance with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.
- (c) Where a division under rule 11.2(a) is otherwise than in accordance with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.
- (d) If any of the property to be divided under rule 11.2(a) includes securities with a liability to calls, a person entitled under the division to any of the securities may within 10 Business Days after the passing of the special resolution referred to in that rule, by notice in writing direct the liquidator to sell the person's proportion of the securities and to account for the net proceeds and the liquidator must, if practicable, act accordingly.
- (e) Nothing in this rule 11.2 adversely affects any right to exercise any statutory or other power which would have existed if this rule were omitted.
- (f) Rule 10.3 applies, so far as it can and with necessary changes, to a division by a liquidator under rule 11.2(a) as if references in rule 10.3(a) to the directors and to a distribution or capitalisation were references to the liquidator and to the division under rule 11.2(a) respectively.



12 Minutes and records

12.1 Minutes and resolutions

The directors must cause:

- (a) minutes of:
 - (i) all proceedings and resolutions of general meetings; and
 - (ii) proceedings and resolutions of meetings of the directors and of committees of the directors; and
- (b) a copy of resolutions passed by directors without a meeting,

to be recorded and entered in books kept for that purpose, within one month after the meeting is held or the resolution is passed.

12.2 Signing of minutes or resolutions

- (a) Minutes of a meeting must be signed by the chair of the meeting or the chair of the next meeting within a reasonable time after the meeting.
- (b) Minutes of the passing of a resolution without a meeting or the making of a declaration must be signed by a director within a reasonable time after the resolution is passed.

12.3 Minutes or resolutions as evidence

A minute or resolution that is recorded and signed in accordance with rules 12.1 and 12.2 is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved.

12.4 Inspection of records

- (a) Subject to the Corporations Act, the directors may determine whether and to what extent, and at what time and places and under what conditions, the minute books, accounting records and other documents of the Company or any of them will be open to the inspection of members other than directors.
- (b) A member other than a director does not have the right to inspect any books, records or documents of the Company except as provided by law or authorised by the directors.
- (c) Each member must provide the Company with such information as is required for the Company to administer all registers required to be kept by the Company in accordance with the Corporations Act. If events occur which would cause any information contained in a register maintained by the Company to be inaccurate, the member must notify the Company in writing of the change within 10 Business Days of such change occurring.

13 Indemnity and insurance

13.1 Persons to whom rules 13.2 and 13.4 apply

Rules 13.2 and 13.4 apply:

- (a) to each person who is or has been a director, alternate director or executive officer (within the meaning of rule 8.3) of the Company;
- (b) to such other officers or former officers of the Company or of its related bodies corporate as the directors in each case determine; and
- (c) if the directors so determine, to any auditor or former auditor of the Company or of its related bodies corporate.

13.2 Indemnity

The Company must indemnify to the extent permitted by law, each person to whom this rule 13.2 applies for all losses or liabilities incurred by the person as an officer or, if the directors so determine, an auditor of the Company or of a related body corporate including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

13.3 Extent of Indemnity

The indemnity in rule 13.2:

- (a) is a continuing obligation and is enforceable by a person to whom rule 13.2 applies even though that person may have ceased to be an officer or auditor of the Company or of a related body corporate;
- (b) applies to losses and liabilities incurred both before and after the date of adoption of that rule; and
- (c) operates only to the extent that the loss or liability is not covered by insurance.

13.4 Insurance

The Company may, to the extent permitted by law:

- (a) purchase and maintain insurance; or
- (b) pay or agree to pay a premium for insurance,

for any person to whom this rule 13 applies against any liability incurred by the person as an officer or auditor of the Company or of a related body corporate including, but not limited to, a liability for negligence or for legal costs.

13.5 Savings

Nothing in rules 13.2 or 13.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any loss or liability referred to in those rules; or



- (b) limits the capacity of the Company to indemnify or provide insurance for any person to whom those rules do not apply.
-

14 Notices

14.1 Notices by the Company to members

- (a) A notice may be given by the Company to a member:
 - (i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or such other address, or by fax or email to such fax number or email address as the member has supplied to the Company for the giving of notices; or
 - (ii) if the member does not have a registered address and has not supplied another address to the Company for the giving of notices, by exhibiting it at the registered office of the Company.
- (b) A notice may be given by the Company to the joint holders of a share in the manner authorised by rule 14.1(a):
 - (i) in the case of a notice for the purpose of a resolution under rule 6.10, to each joint holder; and
 - (ii) in all other cases, to the joint holder first named in the register of members in respect of the share.
- (c) A notice may be given by the Company to a person entitled to a share as a result of a Transmission Event by serving it or sending it in the manner authorised by rule 14.1(a)(i) addressed to the name or title of the person, at or to the address, fax number or email address supplied to the Company for the giving of notices to that person, or if no address, fax number or email address has been supplied, at or to the address, fax number or email address to which the notice might have been sent if the relevant Transmission Event had not occurred.
- (d) The fact that a person has supplied a fax number or email address for the giving of notices does not require the Company to give any notice to that person by fax or email.
- (e) A notice given to a member in accordance with rules 14.1(a) or 14.1(b) is, despite the occurrence of a Transmission Event and whether or not the Company has notice of that occurrence:
 - (i) duly given in respect of any shares registered in that person's name, whether solely or jointly with another person; and
 - (ii) sufficient service on any person entitled to the shares as a result of the Transmission Event.
- (f) A notice given to a person who is entitled to a share as a result of a Transmission Event is sufficient service on the member in whose name the share is registered.
- (g) Any person who, because of a transfer of shares, becomes entitled to shares registered in the name of a member is bound by every notice which, before that person's name and address is entered in the register of members in respect of those shares, is given to the member in accordance with this rule 14.1.

- (h) A certificate signed by a director or secretary of the Company to the effect that a notice has been given in accordance with this constitution is conclusive evidence of that fact.

14.2 Notices by the Company to directors

Subject to this constitution, a notice may be given by the Company to any director or alternate director either by serving it personally at, or by sending it by post in a prepaid envelope to, the director's or alternate director's usual residential or business address, or such other address, or by fax or email to such fax number or email address as the director or alternate director has supplied to the Company for the giving of notices.

14.3 Notices by members or directors to the Company

Subject to this constitution, a notice may be given by a member, director or alternate director to the Company by serving it on the Company at, or by sending it by post in a prepaid envelope to, the registered office of the Company or by fax or email to the principal fax number or a nominated email address at the registered office of the Company.

14.4 Notices to members outside Australia

A notice to be sent to a member outside Australia and its external territories must be sent by airmail, fax or email, or in another way that ensures it will be received quickly.

14.5 Time of service

- (a) Where a notice is served personally, service of the notice is taken to be effected when delivered.
- (b) Where a notice is sent by post, service of the notice is to be taken to be effected if a prepaid envelope containing the notice is properly addressed and placed in the post and to have been effected:
 - (i) in the case of a notice of a general meeting, on the day after the date of its posting; or
 - (ii) in any other case, on the third Business Day after the date of postage, or if to a place outside Australia, on the seventh Business Day after the date of postage.
- (c) Where a notice is sent by fax, the notice is to be taken to be given on receipt by the sender of an acknowledgement or transmission report confirming delivery, generated by the machine from which the fax was sent.
- (d) Where a notice is sent by email, service of the notice is taken to be effected:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) five hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,whichever happens first.



- (e) If the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (recipient's time) it is deemed to be received at 9.00am on the following Business Day.
- (f) Where the Company gives a notice under rule 14.1(a)(ii) by exhibiting it at the registered office of the Company, service of the notice is to be taken to be effected when the notice was first so exhibited.

14.6 Other communications and documents

Rules 14.1 to 14.5 (inclusive) apply, so far as they can and with necessary changes, to the service of any communication or document.

14.7 Notices in writing

A reference in this constitution to a notice in writing includes a notice given by fax, email or another form of written communication.

15 General

15.1 Currency

An amount payable to the holder of a share, whether by way of or on account of dividend, return of capital, participation in the property of the Company on a winding up or otherwise, may be paid, with the agreement of the holder or pursuant to the terms of issue of the share, in the currency of a country other than Australia and the directors may fix a date up to 30 days before the payment date as the date on which any applicable exchange rate will be determined for that purpose.

15.2 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the State or Territory in which the registered office of the Company is located, the Federal Court of Australia and the Courts which may hear appeals from those Courts.

15.3 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place is, in that place, ineffective only to the extent to which it is void, illegal or unenforceable.
- (b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.

Schedule 1 Dictionary

1 Dictionary

In this constitution:

Business Day means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in the place where the Company's registered office is located.

Class A Share means a share in the capital of the Company which is designated as a Class A Share and has the rights set out in rule 3.3.

Class A Shareholder means a holder of Class A Shares.

Class B Share means a share in the capital of the Company which is designated as a Class B Share and has the rights set out in rule 3.4.

Class B Shareholder means a holder of Class B Shares.

Class C Share means a share in the capital of the Company which is designated as a Class C Share and has the rights set out in rule 3.5.

Class C Shareholder means a holder of Class C Shares.

Class M Share means a share in the capital of the Company which is designated as a Class M Share and has the rights set out in rule 3.6.

Class M Shareholder means a holder of Class M Shares.

Company means Eternal Aus HoldCo Ltd (ACN 669 042 782).

Corporations Act means *Corporations Act 2001* (Cth).

Eternal Aus BidCo means Eternal Aus BidCo Pty Ltd (ACN 669 053 258).

Group Company means the Company and any subsidiary of the Company, including, for the avoidance of doubt, the Target and its subsidiaries on and from the date the scheme contemplated by the Scheme Implementation Deed is implemented.

Hybrid Meeting has the meaning given in rule 6.5(a).

Management Securityholders' Deed means the management securityholders' deed of the Company for its Class C Shareholders and Class M Shareholders, as amended from time to time.

Notice of Variation has the meaning given in rule 3.7(a).

Representative, in relation to a body corporate, means a representative of the body corporate appointed under section 250D of the Corporations Act.

Rolling Shareholder means each shareholder of the Target who makes a valid election to receive scrip consideration under the scheme contemplated by the Scheme Implementation Deed, and who is validly issued Class B Shares in the Company on the date the scheme is implemented as a form of consideration for their shares in the Target.



Scheme Implementation Deed means the scheme implementation deed dated 9 August 2023, between Eternal Aus BidCo Pty Ltd (ACN 096 437 393) (**Eternal Aus BidCo**), a subsidiary of the Company and the Target, pursuant to which Eternal Aus BidCo has proposed to acquire all of the shares in the Target that a TPG Entity does not already own or control.

Seal means any common seal, duplicate seal, share seal or certificate seal of the Company.

Security Interest means a charge, mortgage, pledge, security interest under the *Personal Property Securities Act 2009* (Cth) or other encumbrance over the shares.

Shareholders' Deed means the shareholders' deed of the Company for its Class A Shareholders and its Class B Shareholders, as amended from time to time.

Share Term Variation has the meaning in rule 3.7(a).

Target means InvoCare Limited (ACN 096 437 393).

TPG Entity means TPG Asia VII SF Pte. Ltd., TPG Asia VIII SF Pte. Ltd. and any affiliates of these entities (for the avoidance of doubt, an 'affiliate' when used in this definition does not include a manager of a Group Company).

TPG Shareholder means each of Blue Eternal Holdings Pte. Ltd, TPG Asia VIII SPV GP, LLC and any other TPG Entity that holds Class A Shares from time to time.

Transmission Event means:

- (a) in respect of a member of the Company who is an individual:
 - (i) the death of the member;
 - (ii) the bankruptcy of the member; or
 - (iii) the member becoming of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health; and
- (b) in respect of a member of the Company who is a body corporate, the dissolution of the member or the succession by another body corporate to the assets and liabilities of the member.

Virtual Meeting has the meaning given in rule 6.5(a).

Virtual Meeting Technology means an instantaneous audio-visual communication device or similar form of technology which, by itself or in conjunction with other arrangements:

- (a) gives the persons entitled to attend the meeting, as a whole, a reasonable opportunity to participate in proceedings in the main place without being physically present in the same place;
- (b) enables the chair to be aware of proceedings in the other place(s); and
- (c) enables members in the separate meeting place(s) to vote on a show of hands or a poll.

2 Interpretation

2.1 General

- (a) A reference in this constitution to a partly paid share is a reference to a share on which there is an amount unpaid.
- (b) A reference in this constitution to a call or an amount called in respect of a share includes a reference to a sum that, by the terms of issue of a share, becomes payable on issue or at a fixed date.
- (c) A member is to be taken to be present at a general meeting if the member is present in person or by proxy, attorney or Representative.
- (d) Where a provision of this constitution establishes an office of chair, the chair may be referred to as a chairman or chairwoman, as the case requires.
- (e) A reference in this constitution in general terms to a person holding or occupying a particular office or position includes a reference to any person who occupies or performs the duties of that office or position for the time being.
- (f) In this constitution, headings, bold type and underlinings are for convenience only and do not affect the interpretation of this constitution and, unless the contrary intention appears:
 - (i) words importing the singular include the plural and vice versa;
 - (ii) words importing a gender include every other gender;
 - (iii) the words 'such as', 'including', 'particularly' and similar expressions are not used as nor intended to be interpreted as words of limitation;
 - (iv) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
 - (v) a reference to a person includes that person's successors and legal personal representatives;
 - (vi) a rule, term, party or schedule is a reference to a rule, term of, party or schedule to this constitution;
 - (vii) a reference to any statute, regulation, proclamation, ordinance or by-laws includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
 - (viii) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

2.2 Application of the Corporations Act

- (a) This constitution is to be interpreted subject to the Corporations Act.



- (b) In this constitution, unless the contrary intention appears:
 - (i) a word or expression defined or given a meaning in the Corporations Act has the same meaning when used in this constitution in a similar context; and
 - (ii) "section" means a section in the Corporations Act.

2.3 Exercise of powers

- (a) The Company may exercise in any manner permitted by the Corporations Act any power which, under the Corporations Act, a company limited by shares may exercise if authorised by its constitution.
- (b) Where this constitution provides that a person or body may do a particular act or thing and the word "may" is used, the act or thing may be done at the discretion of the person or body.
- (c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.
- (d) Where this constitution confers a power to do a particular act or thing with respect to particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing with respect to some only of those matters or with respect to a particular class or particular classes of those matters and to make different provision with respect to different matters or different classes of matters.
- (e) Where this constitution confers a power to make appointments to any office or position, the power is, unless the contrary intention appears, to be taken to include a power:
 - (i) to appoint a person to act in the office or position until a person is appointed to the office or position;
 - (ii) subject to any contract between the Company and the relevant person, to remove or suspend any person appointed, with or without cause; and
 - (iii) to appoint another person temporarily in the place of any person so removed or suspended or in place of any sick or absent holder of such office or position.
- (f) Where this constitution confers a power or imposes a duty then, unless the contrary intention appears, the power may be exercised and the duty must be performed from time to time as the occasion requires.
- (g) Where this constitution confers a power or imposes a duty on the holder of an office as such then, unless the contrary intention appears, the power may be exercised and the duty must be performed by the holder for the time being of the office.
- (h) Where this constitution confers power on a person or body to delegate a function or power:
 - (i) the delegation may be concurrent with, or to the exclusion of, the performance or exercise of that function or power by the person or body;

- (ii) the delegation may be either general or limited in any manner provided in the terms of delegation;
- (iii) the delegation need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of, a specified office or position;
- (iv) the delegation may include the power to delegate;
- (v) where the performance or exercise of that function or power is dependent upon the opinion, belief or state of mind of that person or body in relation to a matter, that function or power may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate in relation to that matter; and
- (vi) the function or power so delegated, when performed or exercised by the delegate, is to be taken to have been performed or exercised by the person or body.

2.4 Replaceable rules not to apply

The replaceable rules applicable to a public company contained in the Corporations Act from time to time do not apply to the Company.



Appendix F HoldCo Constitution

continued

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**CORPORATE
DIRECTORY**



InvoCare Limited

ACN 096 437 393

ASX code IVC

Registered office

Level 5, 40 Mount Street
North Sydney NSW 2060

02 9978 5200

02 9978 5299

www.invocare.com.au

InvoCare Directors

Bart Vogel Independent Non-Executive Chairman

Olivier Chretien Managing Director and Chief Executive Officer

Kim Anderson Independent Non-Executive Chairman

Richard Davis Independent Non-Executive Chairman

Megan Quinn Independent Non-Executive Chairman

Keith Skinner Independent Non-Executive Chairman

Kee Wong Independent Non-Executive Chairman

Company Secretary

Heidi Aldred

InvoCare Registry

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Toll free: 1300 854 911 (within Australia)
+61 1300 854 911 (outside of Australia)

02 9287 0303

www.linkmarketservices.com.au/services/registry.html

Shareholder Information Line

1800 774 615 (within Australia)
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Operating on Business Days between 8.30am and 5.00pm (Sydney time), Monday to Friday

Financial Advisers

Goldman Sachs

Level 47, Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000 Australia

Gresham

Level 25, Aurora Place, 88 Phillip Street
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Legal Adviser

Clayton Utz

Level 15, 1 Bligh Street
Sydney NSW 2000

Independent Expert

Kroll Australia Pty Ltd

85 Castlereagh Street
Sydney NSW 2000

Tax Adviser

KPMG

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Sydney, New South Wales, 2000





 **InvoCare**

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