



Fisher & Paykel Healthcare Corporation Limited

NOTICE OF ANNUAL SHAREHOLDERS' MEETING 2024

Fisher & Paykel
HEALTHCARE

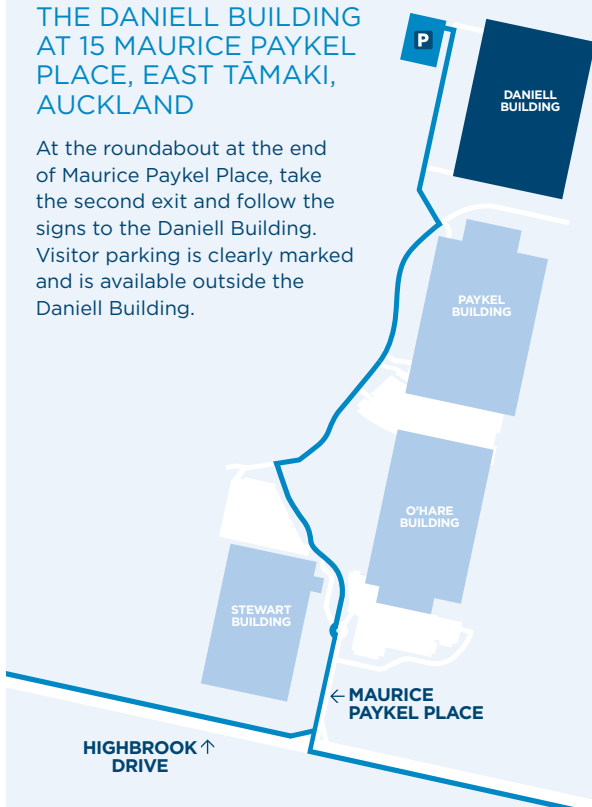
The Annual Shareholders' Meeting of Fisher & Paykel Healthcare Corporation Limited (NZBN 9429040719887 and ABN 69 098 026 281) (the **company**) will be held online at www.virtualmeeting.co.nz/FPH24 and in person at 15 Maurice Paykel Place, East Tāmaki, Auckland, New Zealand on Wednesday, 28 August 2024 commencing at 2.00pm (NZST).

IMPORTANT DATES

Record date for voting entitlements for the Annual Shareholders' Meeting	5.00pm, Monday, 26 August 2024 (NZST)
Latest time for receipt of postal votes and proxies	2.00pm, Monday, 26 August 2024 (NZST)
Annual Shareholders' Meeting	2.00pm, Wednesday, 28 August 2024 (NZST)

HOW TO GET TO THE DANIELL BUILDING AT 15 MAURICE PAYKEL PLACE, EAST TĀMAKI, AUCKLAND

At the roundabout at the end of Maurice Paykel Place, take the second exit and follow the signs to the Daniell Building. Visitor parking is clearly marked and is available outside the Daniell Building.



BUSINESS

A. CHAIR'S ADDRESS

B. MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S REVIEW

C. FINANCIAL STATEMENTS

To receive and consider the financial statements and the auditor's report for the year ended 31 March 2024 as contained in the company's 2024 annual report.

D. RESOLUTIONS

To consider and, if thought appropriate, pass the following ordinary resolutions.

Re-Election of Director

- (1) That Sir Michael Daniell be re-elected as a director of the company.

(See Explanatory Note 1)

Election of Director

- (2) That Graham McLean be elected as a director of the company.

(See Explanatory Note 2)

Auditor's Remuneration

- (3) That the Directors be authorised to fix the fees and expenses of PwC as the company's auditor.

(See Explanatory Note 3)

Long Term Variable Remuneration issued to the Managing Director and Chief Executive Officer

- (4) That approval be given for the issue of up to 100,000 performance share rights to a total value of \$606,060 under the Fisher & Paykel Healthcare 2022 Performance Share Rights Plan to Lewis Gradon, Managing Director and Chief Executive Officer of the company.
- (5) That approval be given for the issue of up to 190,000 options to a total value of \$606,060 under the Fisher & Paykel Healthcare 2022 Share Option Plan to Lewis Gradon, Managing Director and Chief Executive Officer of the company.

(See Explanatory Note 4)

SHAREHOLDER QUESTIONS

Consideration of any shareholder questions raised during the meeting.

By Order of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Scott St John', with a stylized flourish at the end.

SCOTT ST JOHN, CHAIR
10 JULY 2024

PROCEDURAL NOTES

Persons entitled to vote

The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of the company at 5.00pm on Monday, 26 August 2024 (NZST).

Casting a vote

The voting form enclosed with this notice allows you, or your proxy, to vote either for or against, or abstain from, each of the resolutions. Votes may be cast in any one of the following ways:

Meeting attendance

Attending in person:

Shareholders present at the Annual Shareholders' Meeting in person may cast their votes at the meeting. A paper voting card will be issued upon registration at the meeting.

Attending online:

To attend the meeting online, please go to **www.virtualmeeting.co.nz/FPH24**. Shareholders attending online will be able to vote and ask questions during the Annual Meeting. More information regarding virtual attendance at the Annual Meeting (including how to vote and ask questions virtually during the Meeting) is available in the Virtual Annual Meeting Online Portal Guide available at **<https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>**.

Online and postal voting prior to the meeting

Shareholders may directly cast a vote prior to the meeting online at **vote.linkmarketservices.com/FPH/** or by post by completing and lodging the enclosed voting form with the share registrar, MUFG Corporate Markets (previously Link Market Services Limited), at PO Box 91976, Auckland 1142, New Zealand, in accordance with the instructions set out on the form. In either case the vote must reach MUFG Corporate Markets not later than 48 business hours before the time of the holding of the meeting (i.e. before 2.00pm on Monday, 26 August 2024 (NZST)). The Board has authorised MUFG Corporate Markets to receive and count postal votes.

Proxy

Shareholders may appoint a proxy to attend the Annual Shareholders' Meeting and vote in their place.

A body corporate, which is a shareholder, may appoint a representative to attend on its behalf in the same manner as that in which it could appoint a proxy.

A proxy need not be a shareholder of the company. A shareholder who wishes to do so may appoint the Chair of the Meeting to act as proxy.

A proxy will vote as directed in the proxy form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (subject to the comments under "Voting Restrictions" below). If the Chair is appointed as proxy and the voting is left to his discretion, the Chair intends to vote in favour of each of Resolutions (1), (2), (3) (4), and (5).

To appoint a proxy, go online to **vote.linkmarketservices.com/FPH/** or complete and lodge the enclosed voting form with the share registrar, MUFG Corporate Markets, in accordance with the instructions set out on the form. In either case the proxy must be received not later than 48 business hours before the time of the holding of the meeting (i.e. before 2.00pm on Monday, 26 August 2024 (NZST)).

Voting Restrictions

The company will disregard any votes cast in favour of Resolutions (4) or (5) by Lewis Gradon and any of his associated persons (in each case the term “associated persons” is as defined in the NZX Listing Rules).

The company need not disregard a vote cast in favour of Resolutions (4) or (5) if it is cast by any of the above people as proxy for a person who is entitled to vote, in accordance with an express direction on the proxy form.

Resolutions

All the Resolutions contained in this Notice of Meeting must be passed by an ordinary resolution of shareholders, i.e. by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

NZX

This Notice of Meeting has been reviewed by NZX Regulation Limited (**NZ RegCo**) in accordance with NZX Listing Rule 7.1 and NZ RegCo has confirmed it does not object to this Notice. NZ RegCo does not take any responsibility for any statement in this Notice.

EXPLANATORY NOTES

EXPLANATORY NOTE 1 - RE-ELECTION OF DIRECTOR

Under NZX Listing Rule 2.7, a Director must not hold office (without re-election) past the third annual meeting following the Director's appointment or three years, whichever is the longer.

Sir Michael Daniell is a Director retiring in 2024. Being eligible, Sir Michael offers himself for re-election.

Sir Michael Daniell is standing for re-election with the support of the Board, having considered the tenure, contribution to the Board, attendance, experience, other commitments and positions, and performance generally for Sir Michael Daniell.



Sir Michael Daniell

Sir Michael became a Director of the company in November 2001. Formerly, he was Managing Director and Chief Executive Officer of Fisher & Paykel Healthcare from November 2001 to March 2016. He was General Manager of Fisher & Paykel's medical division from 1990 to 2001 and previously held various technical management and product design roles within the company. Sir Michael is a director of Cochlear Limited, Tait International Limited and the Medical Research Commercialisation Fund. Sir Michael was named a Knight Companion of the New Zealand Order of Merit in June 2021.

The Board does not consider Sir Michael Daniell to be an independent Director given he was previously employed in an executive capacity by the company.

EXPLANATORY NOTE 2 – ELECTION OF DIRECTOR

Under NZX Listing Rule 2.7, a Director appointed by the Board must not hold office (without election) past the next annual meeting following the Director's appointment.

Graham McLean was appointed by the Board as a Director of the company with effect from 1 October 2023. Accordingly, Graham McLean offers himself up for election at the Annual Shareholders' Meeting.

Graham McLean stands for election with the support of the Board.



Graham McLean

Graham is a director and CEO of CleanSpace Technology, chair of Universal Biosensors and chair of Suicide Prevention Australia. Graham previously spent 16 years as an executive at leading medical device manufacturer Stryker Corporation, most recently as President of the Asia Pacific region situated in Hong Kong and Singapore. Prior to joining Stryker, Graham had finance, audit and commercial positions at Lion Nathan, McVitie's Limited and Unilever.

Graham McLean is considered by the Board to be an independent Director.

EXPLANATORY NOTE 3 – AUDITOR'S REMUNERATION

Under section 207T of the Companies Act 1993, PwC is automatically reappointed as the auditor of the company, and this resolution authorises the Board to fix the fees and expenses of the auditor in accordance with section 207S of the Companies Act 1993.

EXPLANATORY NOTE 4 - LONG TERM VARIABLE REMUNERATION ISSUED TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Introduction

The Board believes that the issue of equity-based long-term variable remuneration instruments (**LTVR Instruments**) will provide appropriate alignment of participating employees with the total shareholder return of the company. LTVR Instruments also assist the company to attract, motivate and retain key employees in an environment where such employees are in high demand, both within New Zealand and internationally. LTVR Instruments will be issued to employees as a long-term component of remuneration provided to employees in accordance with the company's remuneration policy.

The LTVR Instruments proposed to be issued to Mr Gradon under NZX Listing Rule 4.6 do not require shareholder approval of the issue, given Mr Gradon's participation has been determined by criteria applying to employees generally under the company's LTVR Plans. However, the company has determined it will seek shareholder approval for the issue, consistent with its prior practice. If shareholders do not approve the proposed issue of LTVR Instruments to Mr Gradon, the Board will investigate alternative long-term variable remuneration arrangements for Mr Gradon.

The company currently operates the following long-term variable remuneration arrangements (**LTVR Plans**) under which LTVR Instruments will be issued to select executives and senior managers:

- The Fisher & Paykel Healthcare 2022 Performance Share Rights Plan (the **2022 Performance Share Rights Plan**), under which performance share rights are issued. This was introduced as a replacement for the 2019 Performance Share Rights Plan, which had in-turn replaced the Performance Share Rights Plan that was first introduced in 2012. Under the 2022 Performance Share Rights Plan, performance share rights vest and become exercisable for ordinary shares depending on the achievement of a designated total shareholder return hurdle on the third anniversary of the grant date.

- The Fisher & Paykel Healthcare 2022 Share Option Plan (the **2022 Option Plan**). This has been introduced as a replacement for the 2019 Share Option Plan, which had in-turn replaced the 2003 Share Option Plan. Under the 2022 Option Plan, options vest and become exercisable for ordinary shares depending on share price performance relative to a cost of capital benchmark on the third anniversary of the grant date.

Shareholder approval being sought

Shareholder approval is being sought:

- under Resolution (4), to issue up to 100,000 performance share rights to a total value of \$606,060 under the 2022 Performance Share Rights Plan; and
- under Resolution (5), to issue up to 190,000 options to a total value of \$606,060 under the 2022 Option Plan,

in each case to Lewis Gradon, the Managing Director and Chief Executive Officer of the company. Mr Gradon is the only Director eligible to participate in new grants under the LTVR Plans. The company intends to issue these LTVR Instruments to Mr Gradon within one month of the date of the Annual Shareholders' Meeting.

Following the Annual Shareholders' Meeting, an independent valuation will be obtained from KPMG to determine the fair value of each performance share right and option to be issued this year. The number of instruments to be issued to employees is based on a set dollar amount divided by the valuation of the respective LTVR Instrument. A higher valuation would likely result in less LTVR Instruments being issued, while a lower valuation would likely result in more LTVR Instruments being issued this year.

The actual number of LTVR Instruments that will be issued to Mr Gradon this year will be calculated once the independent valuation is received following the Annual Shareholders' Meeting. The number will be calculated by dividing the total value as approved by shareholders by the fair value of each instrument.

The below tables compare the total value and maximum number of LTVR Instruments proposed to be issued to Mr Gradon this year against the total maximum number approved last year, as well as the actual total number and value of LTVR Instruments issued to Mr Gradon last year.

Performance Share Rights

2023

Total Value Issued	\$577,210
Fair Value per PSR	\$11.72
Actual Number Issued	49,250
Maximum Number Approved	100,000

2024

Total Value to be Issued	\$606,060
Fair Value per PSR	Valuation conducted by KPMG after ASM.
Maximum Number to be Issued	100,000

Options

2023

Total Value Issued	\$577,203
Fair Value per Option	\$5.10
Actual Number Issued	113,177
Maximum Number Approved	190,000

2024

Total Value to be Issued	\$606,060
Fair Value per Option	Valuation conducted by KPMG after ASM.
Maximum Number to be Issued	190,000

LTVR Instruments Total

2023

Total Value Issued	\$1,154,413
Actual Number Issued	162,427
Maximum Number Approved	290,000

2024

Total Value to be Issued	\$1,212,120
Maximum Number to be Issued	290,000

The company also intends to issue, pursuant to NZX Listing Rule 4.6, up to 2,210,000 LTVR Instruments in aggregate, to approximately 719 selected executives, senior managers and other employees of the company and its subsidiaries. Together with the maximum number of LTVR Instruments proposed to be issued to Mr Gradon, the company therefore intends to issue no more than a maximum aggregate of 2,500,000 LTVR Instruments to employees, including Mr Gradon, following the Annual Shareholders' Meeting.

The maximum aggregate number equates to the issue of LTVR Instruments to acquire shares representing approximately 0.4% of the total ordinary shares on issue. If all 2,500,000 LTVR Instruments were exercised for shares, then shareholders would be diluted by this percentage amount. In 2023, the actual number of LTVR Instruments issued was 1,495,132.

A summary of the key terms of the 2022 Performance Share Rights Plan and 2022 Option Plan is set out below.

Key Terms of the 2022 Performance Share Rights Plan

The key terms of the 2022 Performance Share Rights Plan are:

- No amount is payable by a participant for the grant of performance share rights.
- One share right gives the participant the potential to exercise that performance share right for one ordinary share in the company at no cost.
- Whether (and how many) performance share rights become exercisable will depend on the company's gross total shareholder return (**TSR**) performance compared to the performance of the Dow Jones US Select Medical Equipment Total Return Index in New Zealand dollars over the same period (the **Index return**).
- The company's TSR will be calculated and compared against the Index return on the third anniversary of the grant of the performance share rights (the **PSR Performance Period**).
- Performance share rights will only become exercisable if the company's TSR over the PSR Performance Period exceeds the Index return over the same period, measured in absolute terms. If, at the end of the PSR Performance Period, the company's TSR performance over that period exceeds the Index return over the same period by less than 10%, measured in absolute terms, then between 50% and 100% of the performance share rights held by the participant, as determined on a straight-line basis by the Board, become exercisable. If the company's TSR over the PSR Performance Period exceeds the Index return over the same period by 10% or more, measured in absolute terms, then all of the performance share rights will become exercisable.
- At the end of the PSR Performance Period, the company will advise each participant whether any of their performance share rights are exercisable depending on the above methodology and, if they are, the number of performance share rights that are exercisable.

- Exercisable performance share rights may only be exercised during the 20 business day period from the date that the participant is notified that the performance share rights have become exercisable (excluding, at the Board's discretion, any days when trading restrictions apply to a participant) (the **Exercise Period**). Any exercisable performance share rights may be exercised by the participant at any time during the Exercise Period and will be deemed to be exercised at 4.59pm on the last day of the Exercise Period if they have not been exercised or surrendered by the participant before that time.
- If no performance share rights are exercisable because the company's TSR over the PSR Performance Period has not exceeded the Index return over the same period, the performance share rights lapse.
- Unless otherwise determined by the Board, a participant's performance share rights will lapse on the first to occur of the following events:
 - the date of receipt by the company of written notice from the participant surrendering their performance share rights;
 - 5.00pm on the last day of the Exercise Period in respect of the PSR Performance Period;
 - in the case of performance share rights held by a participant who ceases to be employed because of serious illness, accident, permanent disablement, redundancy or death, the last date of the Exercise Period; and
 - in the case of performance share rights held by a participant who ceases to be employed because of any other reason, the day on which that person ceases to be employed.
- Subject to any applicable Listing Rules, the Board is given discretion to adjust the terms of any performance share rights to achieve equivalent treatment as between the participants in the 2022 Performance Share Rights Plan and the shareholders in the event of a change in the capital structure of the company.

- The Board is also given discretion to amend the terms of the 2022 Performance Share Rights Plan, or of performance share rights, in the case of a takeover or other change of control transaction in respect of the company, so as to allow participants to participate in the benefit of that transaction.
- The company may amend the terms of the 2022 Performance Share Rights Plan, subject to the consent of any adversely affected participant.
- Performance share rights are not transferable, other than to certain persons associated with an employee and approved by the Board, and do not participate in dividends or other distributions of the company. Participants are not entitled to participate in new issues of the underlying securities (such as a rights issue or bonus issue) prior to exercising the performance share rights.
- Performance share rights will not be quoted on either the NZX Main Board or the ASX markets. So long as the company remains listed on the NZX Main Board and/or the ASX markets, it is intended that the shares issued on exercise of performance share rights will be quoted on the NZX Main Board and/or the ASX markets (as applicable).
- Ordinary shares issued or transferred on the exercise of performance share rights will be fully paid and rank equally with all other ordinary shares in the company except for dividends or other entitlements in respect of which the record date occurred prior to the date of issue or transfer of the relevant shares.

Key Terms of the 2022 Option Plan

The key terms of the 2022 Option Plan are:

- No amount is payable for the grant of options.
- One option gives the participant the right to subscribe at the exercise price for one ordinary share in the company.
- An option may be exercised only if, on the third anniversary of the date of grant of an option, the company's volume weighted average share price on the NZX Main Board over the five business days before that date, exceeds the "Escalated Price" (described below) on that date.

- The share price will be weighed against the Escalated Price on the third anniversary of the date of grant of an option (“**Grant Date**”). If the share price exceeds the Escalated Price at that date, options may be exercised during a period of 90 business days (excluding, at the Board’s discretion, any days when trading restrictions apply to a participant) (“**Exercise Period**”) after the company advises the option holder that the options have become exercisable. If options have become exercisable, the holder of those options may exercise all or some of those options during the Exercise Period, but any options of that holder issued on the same Grant Date that are not exercised will be cancelled.
- Unless otherwise determined by the Board, options lapse on the holder ceasing to be employed by the company or a subsidiary. If an option holder ceases to be employed by reason of serious illness, accident, permanent disablement, redundancy or death, the holder’s options remain in force until the end of the Exercise Period.
- The exercise price of options is the company’s volume weighted average share price on the NZX Main Board over the five business days before the Grant Date.
- The Escalated Price is determined as follows:
 - At each anniversary of the Grant Date of an option, a new “base price” will be calculated by:
 - › increasing the last calculated base price (which, as at the first anniversary of the Grant Date, will be the exercise price of the option) by a percentage amount determined by the Board to represent the company’s cost of capital; and
 - › reducing the resulting figure by the amount of any dividend paid by the company in the 12-month period immediately preceding that anniversary.
 - The Escalated Price on any particular anniversary of the Grant Date will be the base price determined as at that anniversary of the Grant Date, determined in accordance with the above.

- The Board is given discretion to adjust the terms of any options (including the exercise price) to achieve equivalent treatment as between the participants in the 2022 Option Plan and the shareholders in the event of a change in the capital structure of the company.
- The Board is also given discretion to amend the terms of the 2022 Option Plan or any options in the case of a takeover or other change of control transaction in respect of the company, so as to allow option holders to participate in the benefit of that transaction.
- The company may amend the terms of the 2022 Option Plan, subject to the consent of any adversely affected participant.
- Options are not transferable, other than to certain persons associated with an employee, and do not participate in dividends or other distributions of the company. Participants are not entitled to participate in new issues of the underlying securities (such as a rights issue or bonus issue) prior to exercising the options.
- Options will not be quoted on either the NZX Main Board or the ASX markets. So long as the company remains listed on the NZX Main Board and/or the ASX markets, it is intended that the shares issued on exercise of options will be quoted on the NZX Main Board and/or the ASX markets (as applicable).
- Ordinary shares issued or transferred on the exercise of options will be fully paid and rank equally with all other ordinary shares in the company except for dividends or other entitlements in respect of which the record date occurred prior to the date of issue or transfer of the relevant shares.
- The Cancellation Offer facility approved by shareholders at the 2004 Annual Shareholders' Meeting (which allows option holders to cancel vested options in consideration for shares of a value equal to the gain that the option holders would receive if they exercised their options) applies to the options granted under the 2022 Option Plan.

