

NOTICE OF ANNUAL SHAREHOLDERS MEETING

Notice is hereby given that the **Annual Meeting of Shareholders** will be held at the Guineas Lounge, Eilerslie Convention Centre, Auckland, New Zealand on Friday, 9 August 2002 commencing at 2.00pm

ORDINARY BUSINESS**1. Financial Statements**

To receive and consider the financial statements and the auditor's report for the year ended 31 March 2002 as contained in the Company's annual report.

2. Election of Directors

In accordance with the Company's constitution:

- (a) the directors in (i) to (iv) below, being directors appointed to fill casual vacancies during the year, retire and, being eligible, offer themselves for re-election:
- (i) Adrienne Clarke;
 - (ii) Michael Daniell;
 - (iii) Nigel Evans; and
 - (iv) P. Michael Smith.
- (b) Gary Paykel, being the longest serving director, retires by rotation in accordance with the constitution and, being eligible, offers himself for re-election.

(See Explanatory Note 1)

3. Authorise the Directors to fix fees and expenses of auditor

To authorise the Directors to fix the fees and expenses of PricewaterhouseCoopers as the Company's auditor.

SPECIAL BUSINESS**4. Amendment of Constitution**

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

"That the constitution of the Company be altered with effect from (but excluding) the date of this meeting by:

- (a) adding the following new definitions to clause 1.1:
- "ASX means Australian Stock Exchange Limited;*
- the ASX Listing Rules means the listing rules of ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;"*
- (b) inserting a new clause 7A as follows:
- "7A Compliance with ASX Listing Rules**
- (a) Notwithstanding anything contained in this constitution, if the ASX Listing Rules prohibit an act being done, the act shall not be done.
 - (b) Nothing contained in this constitution prevents an act being done that the ASX Listing Rules require to be done.
 - (c) If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
 - (d) If the ASX Listing Rules require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision.

- (e) If the ASX Listing Rules require this constitution not to contain a provision and it contains such a provision, this constitution is deemed not to contain that provision.
 - (f) If any provision of this constitution is or becomes inconsistent with the ASX Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency."; and
- (c) making such other consequential numbering and cross-referencing changes as may be required.
- (See Explanatory Note 2)

5. U.S. Stock Purchase Plan

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

"That the Fisher & Paykel Healthcare Corporation Limited Employee Stock Purchase Plan, and in particular the terms relating to the eligibility of participants and the maximum number of shares to be made available under the Plan, be approved."

(See Explanatory Note 3)

OTHER BUSINESS

6. To consider any other matter that may properly be brought before the meeting.

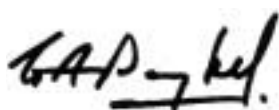
PROCEDURAL NOTES

- (i) The persons who will be entitled to vote on the resolutions at this Annual Shareholders Meeting are those persons who will be the shareholders of the Company at 5.00pm on Friday 2 August 2002.
- (ii) You can participate by proxy or by casting your vote in person at the Annual Shareholders Meeting.
- (iii) All shareholders entitled to attend and vote at the Annual Shareholders Meeting are entitled to appoint a proxy to attend and vote for them in their place. The proxy need not be a shareholder of the Company. A proxy form is enclosed and, if used, must be lodged at the office of the share registry, Computershare Investor Services Limited at either Private Bag 92119, Auckland 1020 or at Level 2, 159 Hurstmere Road, Takapuna, North Shore City, Auckland, New Zealand not less than 48 hours before the time of the holding of the meeting (i.e. before 2.00pm, 7 August 2002).

EXPLANATORY NOTES

Explanatory notes in respect of the resolutions are set out on the following pages.

By Order of the Board of Directors



Gary Paykel

Chairman

28 June 2002

EXPLANATORY NOTE 1 – ELECTION OF DIRECTORS**(a) Directors retiring in accordance with casual vacancy provisions of the constitution**

Professor Adrienne Clarke, Michael Daniell, Dr Nigel Evans and Mike Smith were appointed by the board of Fisher & Paykel Healthcare Corporation Limited to fill casual vacancies left upon completion of the Separation Arrangement (16 November 2001).

As these directors were appointed by the Board to fill casual vacancies, they must retire at this annual meeting of the Company in accordance with clause 64 of the Company's constitution. The retiring directors may, and in this case do, offer themselves for re-election by shareholders at this annual meeting.

(b) Directors retiring by rotation

Gary Paykel retires by rotation under clause 64 of the constitution and, being eligible, offers himself for re-election.

EXPLANATORY NOTE 2 – AMENDMENT TO CONSTITUTION

The Company changed from a foreign exempt status listing to a full listing on the official list of the Australian Stock Exchange Limited (the ASX) on 30 June 2002. As a condition of the full listing, the Company is required to amend its constitution in the form set out in the Notice of Meeting in order to be consistent with the listing rules of the ASX (the ASX Listing Rules).

Currently, the constitution of the Company is a New Zealand Stock Exchange (NZSE) listed company constitution and is not totally consistent with the ASX Listing Rules. However, the ASX has allowed the Company until this meeting to make the necessary amendments. If the Company does not amend its constitution to be consistent with the ASX Listing Rules, it will be removed from the official list of the ASX.

The Board is of the view that it is strategically important for the Company to continue its full listing on the official list of the ASX. The proposed amendments to the constitution, which incorporate (by general reference) prohibitions and requirements of the ASX Listing Rules to the extent they are not already incorporated, will satisfy the ASX condition and allow the Company to continue with its full listing on the ASX. The Board therefore fully recommends that you adopt the proposed amendments to the constitution.

To amend the existing constitution a special resolution of shareholders is required under the Companies Act 1993. A special resolution is a resolution approved by 75% or more of the eligible votes cast on the resolution.

The constitution, as amended, has been approved by the NZSE and the ASX.

A copy of the amended constitution is available on request to the Company at:

*Fisher & Paykel Healthcare Corporation Limited
Private Bag 14-348
Panmure
Auckland
Attention: Antony Barclay*

You may also inspect a copy of the amended constitution at the office of the Company, 15 Maurice Paykel Place, East Tamaki, Auckland.

NZSE WAIVERS

As a consequence of compliance with the ASX Listing Rules, the Company has applied for and been granted waivers by the Market Surveillance Panel of the NZSE (the Panel).

- **Waiver from NZSE Listing Rule 6.1.3**

The Panel granted a waiver from NZSE Listing Rule 6.1.3 which requires an independent solicitor to review amendments to the Company's constitution. The Panel granted the waiver on the basis that the only amendments to the constitution arise out of adoption of the ASX Listing Rules.

- **Waiver from NZSE Listing Rule 11.1**

The Panel granted a waiver from the requirements of NZSE Listing Rule 11.1 which relates to the transfer of securities. The Panel granted the waiver in order to accommodate ASX Listing Rule 15.12 which prevents the transfer of restricted securities during an escrow period. Under the ASX Listing Rules, restricted securities can be issued in a number of circumstances including, for example, as consideration for the purchase of a speculative asset.

- Waiver from NZSE Listing Rule 10.2.3(d)

The Panel granted a waiver from NZSE Listing Rule 10.2.3(d) which requires all announcements for public release to the market by the NZSE to be released to the NZSE at least 30 minutes prior to its public release. The Panel granted the waiver to allow the Company to release public announcements to both the ASX and the NZSE at the same time.

EXPLANATORY NOTE 3 – U.S. STOCK PURCHASE PLAN

The Fisher & Paykel Healthcare Corporation Limited Employee Stock Purchase Plan (the Plan) was established by the Company on 2 November 2001. The Plan is intended to provide employees of the Company's US subsidiaries benefits similar to those provided under the share plans established for New Zealand and Australian employees, in a tax-effective manner.

Under the Plan employees of the Company's US subsidiaries have the opportunity to purchase the Company's ordinary shares or American Depository shares (ADSs) at a discount by contribution through the use of after-tax payroll deductions. The purchase price of the shares at each purchase date is the lesser of (a) 85% of the fair market value on the offer date and (b) 85% of the fair market value on the purchase date. Plan participants have the same rights as any other shareholder once their shares are purchased.

The first offer under the Plan, being an offer of ADSs, was made on 13 November 2001. On that date the fair market value of an ADS translated to NZ\$10.65 per share and 85% of that price is NZ\$9.05. In accordance with the terms of the offer, the Company has issued 12,024 ordinary shares on 2 April 2002 at a price of NZ\$8.56 per share. The remaining issues of ordinary shares under this offer are due on or about 28 June 2002, 30 September 2002 and 31 December 2002. Approximately 46 employees currently participate in the Plan.

The Plan is intended to be a qualified employee stock purchase plan under Section 423 of the US Internal Revenue Code of 1986, as amended. In order to qualify, amongst other things, the Plan must be approved by the shareholders of the issuing company within 12 months before or after the date it is established.

As a qualifying plan, the general rule is that no taxable income will be recognised at the time the employee purchases ordinary shares or ADSs pursuant to the Plan. If the requisite shareholder approval is not obtained, the Plan will not qualify for favourable tax treatment. If the Plan does not qualify, participants must recognise as ordinary income on the date the ordinary shares or ADSs are purchased, the excess of the fair market value of the shares or ADSs on the purchase date over the price paid by the participants.

Specific terms of the Plan include the following:

ELIGIBILITY

It is intended that annual offers will be made under the Plan to employees of the Company's US subsidiaries, although the Company may terminate the Plan at any time. The Company may determine the eligibility requirements for each offer, provided that the Company does not require that participants have been in the employment of a US subsidiary for more than 2 years or work more than 20 hours per week or 5 months per calendar year.

Employees who would own, immediately after their acceptance as a participant, shares with at least 5% of the voting power of all classes of shares of the Company or a related company are not eligible to participate in the Plan.

An employee who ceases to be employed by a participating subsidiary for any reason will make no further contributions to the Plan, but any contributions already made may be applied to purchase shares under the terms of the Plan within 90 days of leaving employment. If the employee leaves employment due to death, disability or retirement, this period is extended to 12 months.

NUMBER OF SHARES AVAILABLE

The maximum aggregate number of shares that may be issued under the terms of the Plan is 1,000,000 ordinary shares (or the equivalent in ADSs) plus an annual increment commencing on 1 January 2003 and ending on (and including) 1 January 2013.

The increment is equal to the lesser of (i) two percent (2%) of the ordinary shares outstanding on each 1 January of each full or partial Company financial year during which the Plan is in effect (rounded down to the nearest whole share and calculated on a fully diluted basis, that is assuming the exercise of all outstanding stock options and warrants to purchase ordinary shares); or (ii) two percent (2%) of the ordinary shares outstanding calculated as of 1 January 2002 (or the equivalent in ADSs).

The maximum aggregate number of shares that may be issued under the Plan may be adjusted upon changes in the ordinary shares or ADSs due to Company restructurings or changes in its capital structure.