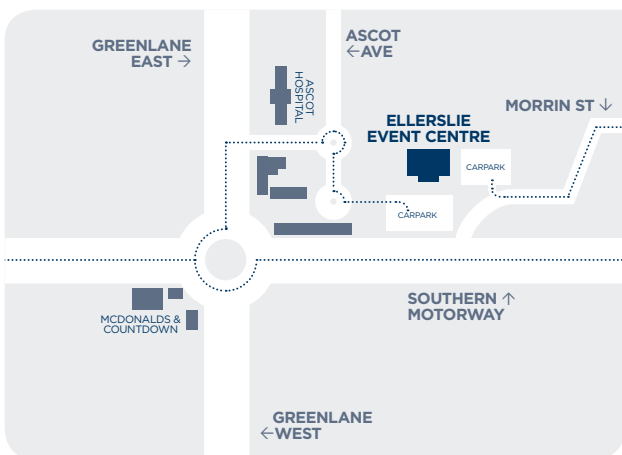


2015

**NOTICE
OF ANNUAL
SHAREHOLDERS'
MEETING**

Notice is hereby given that the Annual Shareholders' Meeting will be held at the **Guineas Ballroom, Ellerslie Event Centre, Auckland, New Zealand** on **Thursday, 27 August 2015** commencing at **2:00pm (NZST)**.

HOW TO GET TO THE ELLERSLIE EVENT CENTRE



BUSINESS

A CHAIRMAN'S ADDRESS

B MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S REVIEW

C FINANCIAL STATEMENTS

To receive and consider the financial statements and the auditors' report for the year ended 31 March 2015 as contained in the Company's 2015 annual report.

D RESOLUTIONS

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

(1) Re-Election Of Director

That Roger France, who retires by rotation and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

(See Explanatory Note 1)

(2) Re-Election Of Director

That Arthur Morris, who retires by rotation and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

(See Explanatory Note 2)

(3) Auditor's Remuneration

That the Directors be authorised to fix the fees and expenses of PricewaterhouseCoopers as the Company's auditor.

(See Explanatory Note 3)

(4) Fisher & Paykel Healthcare Performance Share Rights Plan – Issue of performance share rights to the Managing Director and Chief Executive Officer

That approval be given for the issue of up to 50,000 performance share rights under the Fisher & Paykel Healthcare Performance Share Rights Plan to Mr Michael Daniell, Managing Director and Chief Executive Officer of the Company.

(See Explanatory Note 4)

(5) Fisher & Paykel Healthcare 2003 Share Option Plan – Issue of options to the Managing Director and Chief Executive Officer

That approval be given for the issue of up to 120,000 options under the Fisher & Paykel Healthcare 2003 Share Option Plan to Mr Michael Daniell, Managing Director and Chief Executive Officer of the Company.

(See Explanatory Note 5)

PROCEDURAL NOTES

- (i) 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 Friday, 21 August 2015 (NZST).
- (ii) A shareholder may exercise the right to vote at the Annual Shareholders' Meeting either by being present in person or by proxy. A body corporate which is a shareholder may appoint a representative to attend the Annual Shareholders' Meeting on its behalf in the same manner as that in which it could appoint a proxy.
- (iii) A proxy need not be a shareholder of the Company. A shareholder who wishes to do so may appoint the Chairman of the Meeting to act as proxy.
- (iv) 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. If the Chairman is appointed as proxy and the voting is left to his discretion, the Chairman intends to vote in favour of each of Resolutions 1 to 5.
- (v) A proxy form is enclosed and, if used, must be lodged with the share registrar, Link Market Services Limited, in accordance with the instructions set out on the form not less than 48 hours before the time of the holding of the meeting (i.e. before 2.00pm on Tuesday, 25 August 2015 (NZST)).
- (vi) The Company will disregard any votes cast on Resolution 4 by Directors of the Company and any of their associates (as defined in the Australian Corporations Act 2001).
- (vii) The Company will disregard any votes cast on Resolutions 4 and 5 by Michael Daniell and any of his associates (as defined in the Australian Corporations Act 2001).

- (viii) The Company need not disregard a vote cast on Resolutions 4 or 5 if it is cast by a disqualified person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
- (ix) Resolutions 1 to 5 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.
- (x) This Notice of Meeting has been approved by NZX Limited (NZX) in accordance with NZX Main Board Listing Rule 6.1.1. ASX Limited (ASX) has notified the Company that it has “no-objection” to this Notice of Meeting in accordance with ASX Listing Rules 15.1.4 and 15.1.7. Neither the NZX nor the ASX takes any responsibility for any statement in this notice.

Explanatory Notes

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

By Order of the Board of Directors



TONY CARTER

Chairman

10 July 2015

EXPLANATORY NOTES

EXPLANATORY NOTE 1 – RE-ELECTION OF DIRECTOR

Under Listing Rule 3.3.11 of the NZX Main Board Listing Rules, and in accordance with the Company's constitution, one third of the Company's Directors must retire by rotation at the Annual Shareholders' Meeting. If the Directors are eligible, they may offer themselves for re-election by shareholders at the meeting. In this case, Roger France and Arthur Morris retire by rotation and, being eligible, offer themselves for re-election by shareholders at the Annual Shareholders' Meeting.

Roger France is a non-executive Director and is considered by the Board to be an Independent Director, as that capacity is described in the NZX Main Board Listing Rules. A brief biography outlining Mr France's qualifications, history and experience is set out below. At the Annual Shareholders' Meeting a resolution to re-elect Mr France will be put to shareholders.

Mr France has indicated to the Board that, if he is re-elected this year, he intends to retire as a director of the Company but has agreed to remain on the Board until a replacement director is appointed. The Board have commenced a search for a replacement for Mr France. The Board recommends that shareholders vote in favour of the re-election of Roger France. Roger France abstained from any consideration by the Board on his re-election.



Roger France

Roger France became a director in February 2009. Roger was a partner at PricewaterhouseCoopers for over 15 years. He was previously the Chief Financial Officer of Allied Farmers Cooperative Limited and Freightways Holdings Limited, and Managing

Partner of Coopers & Lybrand in Auckland. Roger is a director of Air New Zealand Limited and Orion Health Group Limited, and a trustee of the University of Auckland Foundation and the Dilworth Trust Board. Roger received his Bachelor of Commerce degree from the University of Canterbury, is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Institute of Directors in New Zealand.

EXPLANATORY NOTE 2 – RE-ELECTION OF DIRECTOR

Arthur Morris is a non-executive Director and is considered by the Board to be an Independent Director, as that capacity is described in the NZX Main Board Listing Rules. A brief biography outlining Dr Morris' qualifications, history and experience is set out below. At the Annual Shareholders' Meeting a resolution to re-elect Dr Morris will be put to shareholders. The Board recommends that shareholders vote in favour of the re-election of Arthur Morris. Arthur Morris abstained from any consideration by the Board on his re-election.



Arthur Morris

Dr Arthur Morris became a Director in February 2008. Arthur is a fellow of the Royal Australasian College of Pathologists, the Australasian Society for Microbiology and the Infectious Diseases Society of America. He trained in Dunedin, Invercargill and Auckland before spending three years at Duke University Medical Centre, North Carolina, USA. Arthur served as the Chief Executive Officer of Diagnostic Medlab Limited from 2005 until 2013. He received his First Class Honours (Microbiology) and medical degrees from the University of Otago and his doctoral degree from the University of Auckland.

EXPLANATORY NOTE 3 – AUDITOR'S REMUNERATION

PricewaterhouseCoopers is automatically reappointed as the auditor of the Company under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

EXPLANATORY NOTE 4 – FISHER & PAYKEL HEALTHCARE PERFORMANCE SHARE RIGHTS PLAN – ISSUE OF PERFORMANCE SHARE RIGHTS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Introduction

The Company's remuneration arrangements for senior executives include the issue of options under the Fisher & Paykel Healthcare 2003 Share Option Plan (the Option Plan) and the issue of performance share rights under the Fisher & Paykel Healthcare Performance Share Rights Plan (the Share Rights Plan). Under the Option Plan, rewards depend on share price performance relative to a costs of capital benchmark whereas under the Share Rights Plan, rewards depend on the achievement of a designated total shareholder return hurdle. The Board approved the establishment of the Share Rights Plan in accordance with the Share Rights Plan rules dated 16 July 2012.

The Board believes that the issue of a combination of options and share rights broadly in equal value proportions will provide appropriate incentive for participating employees to grow the total shareholder return of the Company. The combination of the Option Plan and the Share Rights Plan will 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. Options and share rights will be issued to employees under the Option Plan and Share Rights Plan as a long-term component of remuneration provided to employees in accordance with the Company's remuneration policy.

Under the Share Rights Plan, the Board may issue share rights to executives, managers and other employees of the Company and its subsidiaries (or a person associated with them). Share rights do not carry any entitlement to dividends, or the right to vote, prior to exercise. On exercise, a participant will receive one fully paid ordinary share in the Company for each share right exercised. The number of share rights which a participant in the Share Rights Plan will be entitled to exercise will depend on the number of share rights held by the participant and the performance of the Company relative to a designated performance hurdle. Each share right will be issued, and (if exercisable) may be exercised, at no cost to the participant. Further details of the share rights and the Share Rights Plan are described below under the heading "Key Terms of the Share Rights Plan".

Shareholder approval is required by the ASX Listing Rules and the Company's constitution, and is being sought for, the issue of up to 50,000 share rights under the Share Rights Plan to Michael Daniell, the Managing Director and Chief Executive Officer of the Company.

The Company also intends to issue, pursuant to NZX Main Board Listing Rule 7.3.6, up to 650,000 share rights under the Share Rights Plan to selected executives, managers and other employees of the Company and its subsidiaries (or a person associated with them) which will be issued within 5 months of the Annual Shareholders' Meeting. Together with the options proposed to be issued under the Fisher & Paykel Healthcare 2003 Share Option Plan (see Explanatory Note 6), the Company intends to issue no more than an aggregate of 2,300,000 share rights and options to selected executives, managers and other employees, including Mr Daniell, following the Annual Shareholders' Meeting. This will equate to the issue of share rights and options to acquire shares representing approximately 0.4% of the total ordinary shares on issue. The Board will review the operation of the Share Rights Plan from time to time and consider whether it is in the Company's interest to make further grants of share rights.

Shareholder approval required

ASX Listing Rule 10.14 and the Company's constitution require that shareholder approval be obtained where equity securities are to be issued to a Director under an employee incentive scheme. Shareholder approval is not required for the purposes of the NZX Main Board Listing Rules. The NZX Main Board Listing Rules allow executive directors to participate in employee share issues where their participation is determined by criteria applying to employees generally. Mr Daniell's participation has been determined by criteria applying to employees generally under the Share Rights Plan. Mr Daniell is the only Director eligible to participate in the Share Rights Plan. There is no loan proposed in relation to the proposed issue of share rights under the Share Rights Plan to Mr Daniell.

Shareholder approval is therefore being sought to issue share rights under the Share Rights Plan to the Managing Director and Chief Executive Officer of the Company, Mr Daniell. If approved, the share rights will be issued to Mr Daniell by 27 January 2016 which is within 5 months of the Annual Shareholders' Meeting. The Company intends to issue share rights to selected executives, managers and other employees of the Company and its subsidiaries on or about the same date.

No Director nor any associate of a Director has received share rights granted under the Share Rights Plan (or any predecessor plan) except Mr Daniell. As at 31 March 2015, Mr Daniell held 110,000 share rights under the Share Rights Plan. 50,000 share rights were granted to Mr Daniell under the Share Rights Plan on 28 August 2014, following the approval of the issue of those share rights at the 2014 Annual Shareholders' Meeting.

For the voting exclusions applicable to this resolution, please refer to pages 3 and 4 of this Notice of Meeting. If shareholder approval to issue share rights under the Share Rights Plan to Mr Daniell is not obtained, the Board will investigate alternative long-term incentive arrangements to form part of Mr Daniell's overall remuneration package.

Key Terms of the Share Rights Plan

The key terms of the Share Rights Plan are:

- No amount is payable by a participant for the grant of share rights.
- One share right gives the participant the potential to exercise that share right for one ordinary share in the Company at no cost.
- Whether (and how many) 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 (DJSMQDT) in New Zealand dollars over the same period (the Index return).
- The Company's TSR will be calculated and compared against the Index return at the end of the following performance periods:
 - from the date of the grant of the share rights (the Grant Date) to the third anniversary of that date (the First Performance Period);
 - from the Grant Date to the fourth anniversary of that date (the Second Performance Period);
 - from the Grant Date to the fifth anniversary of that date (the Final Performance Period); and
 - if a person or group of persons acting in concert acquires 50% or more of the shares on issue prior to the fifth anniversary of the Grant Date (a Change of Control), from the Grant Date to the date on which that person or group of persons acquires at least 50% of the shares on issue (the Takeover Performance Period).

- Share rights will only become exercisable if the Company's TSR over the relevant performance period exceeds the Index return over the same period, measured in absolute terms. If at the end of the relevant 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 share rights held by the participant, as determined on a straight line basis by the Company, become exercisable. If the Company's TSR over that performance period exceeds the Index return over the same period by 10% or more, measured in absolute terms, then all of the share rights will become exercisable as at the end of the relevant performance period.
- At the end of the First Performance Period, the Company will advise each participant whether any of their share rights are exercisable depending on the above methodology and if they are, the number of share rights which are exercisable. The participant may then choose to exercise any exercisable share rights (in which case any share rights which are not exercised or are not capable of exercise will lapse) or not.
- Exercisable share rights may only be exercised during the 20 business day period from the date that the participant is notified that the share rights have become exercisable following the end of the relevant performance period (the exercise period). The Board has discretion to extend an exercise period or set a new exercise period if the exercise period would otherwise fall outside of a permitted trading period under the Company's securities trading policy. If the participant chooses not to exercise any exercisable share rights (or no share rights are exercisable because the Company's TSR over the performance period has not exceeded the Index return over the same period), the process is repeated at the end of the Second Performance Period and, if necessary, at the end of the Final Performance Period. The process is also repeated if a Change of Control occurs, at the end of the Takeover Performance Period. At the end of the exercise period in respect of the Final Performance Period, any unexercised share rights and any share rights which are not capable of exercise will lapse.
- Unless otherwise determined by the Board, a participant's share rights will lapse on the first to occur of the following events:
 - the exercise of any of that participant's share rights within an exercise period;

- 5pm on the last day of the exercise period in respect of the Final Performance Period;
 - in the case of share rights held by a participant who ceases to be employed because of serious illness, accident, permanent disablement, redundancy, death or after a person or group of persons acting in concert acquires 50% or more of the shares on issue, in each case after the third anniversary of the date of grant of the share rights, the last date of the exercise period in respect of the next performance period following the date of which the participant ceases to be employed; and
 - in the case of 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 share rights to achieve equivalent treatment as between the participants in the Share Rights Plan and the shareholders in the event of a change in the capital structure of the Company.
 - The Company may amend the terms of the Share Rights Plan, subject to the consent of any adversely affected participant.
 - 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 share rights.
 - 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 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 share rights will be fully paid and rank equally with all other ordinary shares in the Company except for dividends declared or payable in respect of any period prior to the issue of the relevant shares.
 - A Prospectus relating to the Share Rights Plan is available for review at the New Zealand Companies Office website at www.business.govt.nz/companies by searching “Fisher & Paykel Healthcare Corporation Limited”.

EXPLANATORY NOTE 5 – FISHER & PAYKEL HEALTHCARE 2003 SHARE OPTION PLAN – ISSUE OF OPTIONS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Introduction

Shareholder approval is required by the ASX Listing Rules and the Company's constitution, and is being sought for, the grant of up to 120,000 options under the Option Plan to Michael Daniell, the Managing Director and Chief Executive Officer of the Company.

As described in Explanatory Note 4, the Board intends for the Option Plan and the Share Rights Plan to operate alongside each other.

The Board believes that the issue of a combination of options and share rights broadly in equal value proportions will provide appropriate incentive for participating employees to grow the total shareholder return of the Company. The combination of the Option Plan and the Share Rights Plan will 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. Options and share rights will be issued to employees under the Option Plan and Share Rights Plan as a long-term component of remuneration provided to employees in accordance with the Company's remuneration policy.

The Option Plan was established by the Company in 2003 in accordance with the Option Plan rules dated 7 March 2003 and amended on 12 August 2004, 22 November 2006, 22 April 2010, 25 May 2010 and 16 July 2012. Under the latest amendment to the Option Plan, all options will vest after the third anniversary of the grant date provided that the Company's share price on the NZX Main Board has, at any time on or after the third anniversary of the grant date, exceeded the "Escalated Price" described under the heading "Key Terms of the Option Plan" on page 14.

The Company intends to also issue, pursuant to NZX Main Board Listing Rule 7.3.6, up to 1,480,000 options to selected executives, managers and other employees of the Company and its subsidiaries (or a person associated with them) which will be issued within 5 months of the Annual Shareholders' Meeting. Together with the share rights proposed to be issued under the Share Rights Plan (see Explanatory Note 4), the Company intends to issue no more than an aggregate of 2,300,000 share rights and

options to selected executives, managers and other employees, including Mr Daniell, following the Annual Shareholders' Meeting. This will equate to the issue of share rights and options to acquire shares representing approximately 0.4% of the total ordinary shares on issue.

The Company estimates that following this issue, the total number of shares in respect of which options and share rights will have been issued to participants in the Option Plan and the Share Rights Plan both under the issue and during the five year period preceding the date of the issue, will represent approximately 3% of the total ordinary shares on issue.

The Company's cost of capital is used as the performance benchmark in determining a participant's right to exercise options. The Board believes that the cost of capital is an appropriate performance benchmark as it rewards employees when the Company has outperformed its cost of equity and shareholders have experienced positive returns, and it achieves close alignment of employee's incentive remuneration to shareholder returns.

As with previous option plans, the Board will regularly review the operation of the Option Plan and consider whether it is in the Company's interest to make further grants of options.

Shareholder approval required

ASX Listing Rule 10.14 and the Company's constitution require that shareholder approval be obtained where options and other equity securities are to be issued to a Director under an employee incentive scheme. Shareholder approval is not required for the purposes of the NZX Main Board Listing Rules. The NZX Main Board Listing Rules allow executive directors to participate in employee share issues where their participation is determined by criteria applying to employees generally. Mr Daniell's participation has been determined by criteria applying to employees generally under the Option Plan.

Shareholder approval is therefore being sought to issue options under the Option Plan to the Managing Director and Chief Executive Officer of the Company, Michael Daniell.

If approved, the options will be issued to Mr Daniell by 27 January 2016 which is within 5 months of the Annual Shareholders' Meeting. The Company intends to issue options to selected executives, managers and other employees of the Company and its subsidiaries on or about the same date.

No Director or any associate of a Director has received options granted under the Option Plan (or any predecessor plan) except Mr Daniell. As at 31 March 2015, Mr Daniell held 750,000 options under the Plan.

150,000 options were granted to Mr Daniell under the Option Plan on 28 August 2014, following the approval of the issue of those options at the 2014 Annual Shareholders' Meeting. Mr Daniell is the only Director eligible to participate in the Option Plan. There is no loan proposed in relation to the proposed issue of options under the Option Plan to Mr Daniell.

For the voting exclusions applicable to this resolution, please refer to pages 3 and 4 of this Notice of Meeting. If shareholder approval to issue options under the Option Plan to Mr Daniell is not obtained, the Board will investigate alternative long-term incentive arrangements to form part of Mr Daniell's overall remuneration package.

Key Terms of the Option Plan

The key terms of the 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 subject to meeting the following exercise conditions:
 - The options granted under the Option Plan to a participant on a particular grant date may only be exercised at any time between the third anniversary of the grant date and the fifth anniversary of the grant date.
 - The Company's share price on the NZX Main Board has, at any time on or after the third anniversary of the grant date, exceeded the "Escalated Price" (described below).
- Unless otherwise determined by the Board:
 - if the participant ceases employment with the Company due to serious illness, accident, permanent disablement, redundancy or after a person or group of persons acting in concert acquires 50% or more of the shares on issue, the participant will have one month to exercise all outstanding options;
 - in the event of the participant's death, the participant's executor will have three months to exercise all outstanding options; and

- on termination of employment for any other reason all outstanding options held by the participant will expire.
- The exercise price of the options to be granted under the Option Plan following the Annual Shareholders' Meeting will be the volume weighted average price for a share on the NZX Main Board for the five business days prior to the grant date for the options.
- The Escalated Price is determined as follows:
 - As at each anniversary of the grant date up to and including the third anniversary of the grant date for an option, a "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 will be the base price determined as at the third anniversary of the grant date in accordance with the above.
- Subject to any applicable Listing Rules, 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 Option Plan and the shareholders in the event of a change in the capital structure of the Company.
- The Company may amend the terms of the 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 declared or payable in respect of any period prior to the issue of the relevant shares.
- The Cancellation Offer facility approved by shareholders at the 2004 Annual Shareholders' Meeting (which allows optionholders to cancel vested options in consideration for shares of a value equal to the gain that the optionholders would receive if they exercised their options) applies to the options granted under the Option Plan.
- A Prospectus relating to the Option Plan and Cancellation Facility is available for review at the New Zealand Companies Office website at www.business.govt.nz/companies by searching "Fisher & Paykel Healthcare Corporation Limited".

www.fphcare.com

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