

Board Charter

Fisher & Paykel Healthcare Corporation Limited

Introduction

This Charter formalises and sets out the manner in which the Board's powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice that accord with best practice and the applicable laws in the jurisdictions in which the Company operates.

Role of the Board

The Board is ultimately responsible for setting the strategic direction of the Company, oversight of the management of the Company and direction of its business strategy, with the ultimate aim being to improve patient care and outcomes through inspired and world leading healthcare solutions, thereby sustainably increasing shareholder value. The Board is accountable to shareholders for the performance of the Company.

Responsibilities of the Board

In carrying out its principal function, the Board's specific responsibilities include:

1. providing strategic direction for, and approving, the Company's business strategies and objectives;
2. reviewing and approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
3. providing leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;
4. identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
5. ensuring appropriate resources are available to senior executives;
6. monitoring the operational and financial position and performance of the Company;
7. requiring that financial and other reporting mechanisms are put in place by the Chief Executive Officer which result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
8. appointing and, where appropriate, removing the Chief Executive Officer, approving other key executive appointments, planning for executive succession and monitoring the

performance of the Chief Executive Officer and other senior executives having regard to the Company's strategic direction and goals;

9. reviewing and approving the Company's remuneration policies;
10. establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
11. adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
12. approving and regularly reviewing the Company's internal decision making and compliance policies and procedures, including any codes of conduct, this Board Charter and the charters of the Board's committees; and
13. ensuring that the Company's internal decision making and compliance policies and procedures are adhered to, to ensure that the business of the Company is conducted in an open and ethical manner.

Delegation of responsibilities to management

The Board delegates management of the day-to-day affairs and management responsibilities of the Company to the Chief Executive Officer and the executive to deliver the strategic direction and goals determined by the Board. This delegation includes:

1. operating the Company's business within the parameters set by the Board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the Board for its consideration and approval;
2. developing business plans, budgets and company strategies for the Board's consideration and, to the extent that they are approved by the Board, implementing these plans, budgets and strategies;
3. identifying and managing business risks, and if those risks could materially affect the Company or its business, formulating strategies to manage those risks;
4. managing the Company's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
5. implementing the Company's internal controls, policies and procedures and monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

Delegation of responsibilities to committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee the Board shall adopt a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee. The Board currently has the following permanent committees:

1. Audit & Risk Committee;
2. People and Remuneration Committee; and
3. Quality, Safety and Regulatory Committee.

The Board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

Membership

The Constitution provides that the number of Directors must at any time be no more than nine and no less than four. Subject to these limitations, the number of Directors to hold office will be fixed from time to time by the Board. At least two Directors must be ordinarily resident in New Zealand.

A majority of the Directors are to be independent. A Director is only to be regarded as independent if that Director is not an executive officer and does not have a disqualifying relationship.

A “disqualifying relationship” is any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director’s capacity to:

1. bring an independent view to decisions in relation to the Company;
2. act in the best interests of the Company; and
3. represent the interests of the Company’s financial product holders generally,

having regard to the factors described in the NZX Corporate Governance Code that may impact Director independence, if applicable.

The Board shall determine whether, in its view, a Director is independent, and release such determination to the market, no later than 10 business days following the Directors’ initial appointment. The Board must also include a statement as to which Directors are independent in its Annual Report.

The Board shall regularly review the independence of each Director in light of interests disclosed and will disclose any change to the market promptly and without delay.

Chairperson and Deputy Chairperson

The Directors shall elect one of their number as chairperson of the Board. The Company’s Chairperson is required to be an independent Director and may not be the Chief Executive Officer.

The Directors may elect one of their number to act as deputy Chairperson of the Board. The Deputy Chairperson will support the Chairperson and in appropriate circumstances may act in the place of the Chairperson.

Meetings

The Board shall meet as often as it deems appropriate.

Board papers will be provided to Directors sufficiently prior to Board meetings to allow attendees to become familiar with the issues to be addressed. The Company shall ensure that Directors are receiving information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

Review

Every two years, the Board shall undertake a performance evaluation of itself that:

1. compares the performance of the Board with the requirements of this Charter;
2. reviews the performance of the Board’s committees and individual Directors;
3. sets forth the goals and objectives of the businesses for the upcoming year; and
4. effects any improvements to this Charter deemed necessary or appropriate.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

Last approved by the Board on 29 March 2019.