

[Date]

[Name]

[Address]

[Address]

[Address]

Dear [Name]

## **Letter of Appointment as a Non-executive Director**

Following our recent discussions, I am pleased to confirm my invitation to you to join the Board of Fisher & Paykel Healthcare Corporation Limited ("**Company**") as a Non-executive Director.

### **1. Term of Appointment**

- 1.1 Subject to receipt of your consent to act as a Director of the Company, you will hold office from [Appointment Date] until the next Annual Meeting of the Company, which is currently scheduled to occur in [Month, Year]. You will be eligible for election as a Director at that meeting and, if elected, will be subject to retirement by rotation and re-election under the Company's constitution.
- 1.2 The Company's constitution does not prescribe a limit on the length of service of a Director. While the Board does not believe it is appropriate to set a fixed length of service, it is generally expected that Non-executive Directors will serve for an aggregate period (including re-elections) of approximately nine years. However, there may be circumstances such that it will be appropriate for Directors to have tenures shorter or longer than this.
- 1.3 At any time during your tenure, including when you become subject to re-election under the Company's constitution or the law, your performance as a Director will be reviewed in accordance with the processes agreed by the Board from time to time. An appropriate recommendation as to your re-appointment may be made in Notices of Meeting or other material provided to Shareholders.

### **2. Board Committees**

- 2.1 The Board has constituted three principal Board Committees:

- Audit & Risk Committee
- People & Remuneration Committee
- Quality, Safety & Regulatory Committee

From time to time the Board may request you to participate in, or remove you from, the Board Committees. Participation is subject to your agreement. It is anticipated that you will join the [Name of Committee(s)]

2.2 Meetings of Board Committees you participate in, will to the extent practicable, be scheduled to precede or succeed Board meetings.

### **3. Role**

3.1 The management and control of the business of the Company is vested in the Board by the Companies Act 1993. The Board reserves for its own decision the adoption of the strategic direction of the Company, the appointment of the Chief Executive and the Chief Executive's direct reports, approval of financial statements, approval of the business plan and the budget, approval of financial policies, review of operating results, risk management strategy, ensuring the effectiveness of governance practices, succession planning and significant capital expenditure. The Board has delegated responsibility for the management of the Company through the Chief Executive to his direct reports.

3.2 As a Non-executive Director of the Company, you will be expected to participate as a member of the Board in:

- (a) constructively challenging and helping to develop proposals on strategy of the Company;
- (b) setting values and standards for the Company and establishing systems for their communication and monitoring;
- (c) monitoring the performance of management in achieving agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable the Company to meet those goals and objectives;
- (d) satisfying yourself as to the adequacy and integrity of financial and other reporting to the Board and shareholders and that there are adequate systems of internal control; and
- (e) satisfying yourself that systems for identification and management of risks are robust and appropriate.

### **4. Fees and Expenses**

4.1 The Board reviews the level of fees paid to Non-executive Directors annually. At present the gross fees paid to Non-executive Directors for participation on the Board and Board Committees are as follows:

- (a) for participation on the Board, a gross fee of NZ\$[X] per annum; and
- (b) for the role of [Chair/Member] of the [Name of Committee], a gross fee of NZ\$[X] per annum.

4.2 Payment of fees (less any applicable New Zealand withholding tax) are made quarterly on the first trading day of the final month in each quarter (for example, for the April-June quarter, fees are paid on the first trading day in June) by direct credit to your nominated bank account. In the event that you hold office for part of a year, fees will be pro-rated accordingly.

4.3 You will not be entitled to a retirement allowance or termination gratuity on ceasing to hold office.

- 4.4 The Company will reimburse all reasonable expenses of you attending Board meetings. This will include air travel and suitable accommodation as necessary in accordance with our travel policy. Any other reasonable out of pocket expenses that you properly incur in performing your duties as a Director will be reimbursed in accordance with our expenses policy.

## **5. Time Commitments**

- 5.1 Your duties as a Non-executive Director of the Company are anticipated to involve a commitment of at least 20 days in each year. Currently that would comprise attendance at:

- (a) up to 9 scheduled Board meetings and any off site strategy days;
- (b) appropriate preparation time ahead of such meetings;
- (c) constructively challenging and helping to develop proposals on strategy of the Company;
- (c) the Annual Meeting;
- (d) site visits; and
- (e) Board Committee meetings which occur at times other than those days set aside for Board meetings. If you are appointed as a Chairperson of any Committee, you may expect a further call on your time to fulfil that role.

In addition, you will be expected to attend such ad hoc meetings as may be necessary.

- 5.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet these expectations. Absence from any meeting must be approved by the Chairperson.

- 5.3 You should consult with the Chairperson before you accept any additional material commitments, including other directorships, which may conflict with or impact on the time you are able to devote to your role as a Non-executive Director of the Company. Your appropriate commitment of time to the affairs of the Company will be one of the issues considered in performance reviews.

## **6. Other Interests**

- 6.1 The Company accepts that you will have business interests other than those of the Company. Whilst we are aware of your commitments through the recruitment process, could you please provide formal declaration of interests to the Company Secretary, Edward Timmins.

- 6.2 Disclosure of interests is a continuing obligation. If your circumstances change and you acquire any office or property which may conflict with your office as a Director of the Company or the interests of the Company, then you must disclose its character and extent at the next meeting of Directors. This should be done in writing. You may wish to consult with the Chairperson or the Company Secretary as soon as you become aware of any potential conflict.

- 6.3 You should be aware that under the Companies Act and the Constitution, you will not be entitled to vote on any matter on which you have a material personal interest unless the relevant resolution is one in respect of which all Directors are required to sign a certificate or it relates to the granting of an indemnity under section 162 of the

Companies Act. Any material interests are required to be disclosed in the Annual Report and the accounts.

## **7. Induction, Continuous Improvement and Directors' Appraisal**

7.1 An induction programme will be arranged for you that includes:

- (a) meetings with the Chief Executive;
- (b) one-on-one meetings with key members of Management; and
- (c) site visits.

The Company Secretary will also provide you with an induction pack of information concerning the Company. You should feel free to request any further information which you require either from me, or from the Company Secretary, at any time.

7.2 The Board believes that progressive organisations appreciate the challenge of operating in today's business environment. As a Director, you agree that you will participate in:

- (a) continuous improvement programmes from time to time determined by the Board as being appropriate for Directors, at the expense of the Company;
- (b) processes of internal and external review of Director, Board and Board Committee performance as may be determined to be appropriate by the Board from time to time.

## **8. Directors' Indemnification and Insurance**

8.1 The Company Secretary will provide you with a copy of the Directors' Deed of Indemnity. By agreeing to be appointed as a Director you will agree to be bound by the terms of the Deed of Indemnity.

8.2 The Company Secretary will also provide you with a copy of the Directors' and Officers' insurance policy. This policy will be extended to you from the date of your appointment.

## **9. Other Support**

9.1 The services of the General Counsel and Company Secretary are available to assist you with both day-to-day and specific matters in your role as a Director. In addition, with the approval of the Chairperson, you may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of your responsibilities. Copies of this advice should be made available to, and for the benefit of, all Board members, unless the Chairperson agrees otherwise.

## **10. Notification of Personal Interests**

10.1 Because the Company is listed on both the New Zealand Exchange ("**NZX**") and the Australian Stock Exchange ("**ASX**"), the Company may be required to provide information about you to those Stock Exchanges.

10.2 Trading in Company securities is only permitted in accordance with the Company's Securities Dealing Policy and Guidelines. Under that policy, you are required to obtain the consent of any two Directors before dealing in securities of the Company. You

must not, in any circumstances, deal in securities of the Company while you possess "material information" as defined in the Financial Markets Conduct Act 2013.

- 10.3 You also agree that you will provide to the Company Secretary promptly (and within required timeframes for filing that information) all information about you which may be required to be disclosed pursuant to the NZX Listing Rules and/or relevant laws, including:
- (a) details of your name, address for Companies Office registration purposes (including any change of address) and date of birth; and
  - (b) any initial shareholding you, your spouse and minor children and entities associated with you or any of them, may have in the Company and, on an ongoing basis, details of any dealings by any of those persons in securities issued by the Company.

## 11. Confidentiality

- 11.1 All information obtained during your appointment as a Director is confidential to the Company and should not be released either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairperson, or as required by law.

## 12. Vacation of Office

- 12.1 You may cease to hold office as a Director:
- (a) at any time that you resign by written notice. It is desirable that you give the Chairperson reasonable forewarning of any intention to resign or to not seek re-election where that is possible so that the Company can plan for succession of skills and experience;
  - (b) in accordance with the law or the Company's constitution. Currently, clause 20.10 of the constitution deals with this issue, but the shareholders in general meeting are able to change this.

## 13. Announcement of Your Appointment

- 13.1 I will seek your clearance of an announcement to NZX, ASX and media of your appointment to the Board. This announcement will be made as soon as our Company Secretary receives a signed copy of this letter and the other director consent forms from you.

I would be grateful if you would confirm receipt of this letter, as well as your agreement to the contents, by signing and returning the enclosed copy of this letter to our Company Secretary, at the address below. I am available at any time to provide you with any further information you may need, or alternatively please do not hesitate to contact Edward Timmins.

I look forward to welcoming you to our Board.

Yours sincerely



**Tony Carter**  
Chairman

I, [Name], hereby accept the terms of appointment set out in this letter.

.....  
Signature

.....  
Date

cc: Mr Edward Timmins, Company Secretary  
Fisher & Paykel Healthcare Corporation Limited  
PO Box 14348, Panmure  
Auckland 1741

Ph: 09 574 0164

Email: [ed.timmins@fphcare.co.nz](mailto:ed.timmins@fphcare.co.nz)