

Fisher & Paykel Healthcare Corporation Limited

Remuneration and Human Resources Committee Charter

Establishment of the Remuneration and Human Resources Committee

This Charter sets out the basis on which the Board has established a Remuneration and Human Resources Committee pursuant to the authority contained in, and subject to the provisions of, the Constitution.

Objectives

The objective and purpose of the Remuneration and Human Resources Committee is to oversee and regulate remuneration and organisation matters of the company including, remuneration and benefits policies; performance objectives and remuneration of the company's senior executives; succession planning and associated management development for the chief executive and senior executives. The Remuneration and Human Resources Committee assists the Board in establishing coherent remuneration policies and practices which:

1. enable the Company to attract, retain and reward executives and Directors who will create value for shareholders;
2. fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and the general remuneration environment; and
3. comply with the provisions of the NZX Main Board Listing Rules, the ASX Listing Rules and any other relevant legal requirements.

Authority, Duties and Responsibilities

In addition to any other authorities, duties and responsibilities which have been assigned to it from time to time by the Board, the Remuneration and Human Resources Committee has the authority, duty and responsibility to:

1. review and recommend to the Board the overall human resources strategy and monitor its implementation including performance objectives, succession planning and development strategy for senior executives
2. review the Company's remuneration policy, including any policies and practices relating to:
 - a. Remuneration consultants providing market data and the methodology for comparison against the market;
 - b. Executive total remuneration packages including short and long term reward components for senior management; and
 - c. The Company's superannuation arrangements.

3. ensure a formal and transparent method to recommend Director remuneration packages at appropriate intervals, by seeking external advice and benchmarking before recommendations to the full board and shareholders as appropriate;
4. review and recommend to the Board on the structure of remuneration of executive Directors, non-executive Directors, the Chairperson and the Board Committee members;
5. on an annual basis, review the effectiveness of the Diversity Policy and monitor the Company's performance against it by:
 - a. assessing the Company's progress towards the achievement of the measurable objectives set by the Board with respect to the Diversity Policy and any strategies aimed at achieving the objectives; and
 - b. reporting to the Board and recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
6. on an annual basis, review:
 - a. the relative proportion of women and men in the workforce at all levels of the Group; and
 - b. remuneration by gender;
7. recommend for approval by the Board the remuneration of the Chief Executive Officer/Managing Director; and
8. approve senior executive remuneration (other than the Chief Executive Officer/Managing Director) including signing any resolutions and related documents on behalf of the Board approving the remuneration of any senior executive who is a director of a subsidiary of the Company.

No employee will be directly involved in deciding their own remuneration.

Remuneration and Human Resources Committee Composition

The Remuneration and Human Resources Committee is to be of sufficient size and independence to discharge its mandate effectively and shall consist of at least three members, each of whom will be appointed by the Board.

All of the members of the Remuneration and Human Resources Committee shall be Directors of the Company. The Remuneration and Human Resources Committee shall be chaired by an Independent Director and a majority of the members shall be Independent Directors.¹

The Board shall appoint one of the members of the Remuneration and Human Resources Committee who is an Independent Director to be the Chairperson of the Remuneration and Human Resources Committee. In that person's absence, any member may chair a meeting of the Remuneration and Human Resources Committee.

¹ Independent Directors are as defined in the NZX Main Board Listing Rules and the ASX Listing Rules

The Remuneration and Human Resources Committee may, if it considers it appropriate, appoint a secretary.

Meetings and procedure

The Remuneration and Human Resources Committee will meet as frequently as required.

A quorum for a meeting of the Remuneration and Human Resources Committee is two members.

The Remuneration and Human Resources Committee may invite such other persons to attend their meetings as they consider appropriate and determine the procedures under which this occurs. Remuneration and Human Resources Committee meetings will normally be attended by the Chief Executive Officer and VP Human Resources except when the Chief Executive Officer's and VP Human Resources remuneration is being discussed.

The Remuneration and Human Resources Committee shall ensure that minutes of its meetings are kept and provided to the Board in a timely manner.

The dates, times and venues of each meeting of the Remuneration and Human Resources Committee will be notified to all members as far in advance as possible. Supporting papers shall also be sent to members as far in advance as possible.

The proceedings of the Remuneration and Human Resources Committee will be governed by the provisions of the Constitution that govern meetings of Directors, in so far as they are applicable.

Consultation

The Remuneration and Human Resources Committee shall have unrestricted access to executive management, all employees, company records, financial or legal advisers, and external consultants or specialists.

Reporting

The Chairperson of the Remuneration and Human Resources Committee (or a person nominated by the Remuneration and Human Resources Committee for that purpose) shall report to the Board on the Remuneration and Human Resources Committee's proceedings following each meeting on matters relevant to the Committee's duties and responsibilities.

The Chairperson of the Remuneration and Human Resources Committee (or a person nominated by the Remuneration and Human Resources Committee for that purpose) shall also prepare an annual report to the Board summarising the activities of the Remuneration and Human Resources Committee during the previous 12 months.

Review

The Remuneration and Human Resources Committee shall conduct an annual review of its objectives and activities, inviting comments from all members of the Board. It shall recommend to the Board any suggested changes in the duties and responsibilities of the Remuneration and Human Resources Committee and the terms of this Charter.