

Fisher & Paykel Healthcare Corporation Limited

Remuneration Committee Charter

Establishment of the Remuneration Committee

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

Objectives

The objective and purpose of the Remuneration Committee is to assist the Board in establishing coherent remuneration policies and practices which:

1. enable the Company to attract, retain and motivate 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 Listing Rules, the ASX Listing Rules and any other relevant legal requirements.

Authority, Duties and Responsibilities

Specifically, the Remuneration Committee has the authority, duty and responsibility to:

1. review the overall human resources strategy and monitor its implementation;
2. ensure that the Company has a formal and transparent method to recommend Director remuneration packages to shareholders;
3. review the Company's remuneration policy, including policies relating to:
 - a. parameters used in determining salary scales;
 - b. executive remuneration including remuneration packages for senior management;
 - c. the structure of remuneration of executive Directors, non-executive Directors, the Chairperson and Board Committee members;
 - d. the design of executive incentive and equity based plans; and
 - e. employee recruitment, retention and termination;
4. monitor, or if the Company does not have such policies, consider, and if thought fit develop, remuneration policies;

- a. for non-executive Directors whereby non-executive Directors receive remuneration by base fees without options or bonus payments; and
 - b. for Directors whereby a portion of remuneration is paid under an equity security compensation plan; and
 - c. relating to retirement payments for non-executive directors (such retirement payments to be subject to any shareholder approval requirements which may apply).
5. make recommendations to the Board regarding Directors remuneration.

Remuneration Committee Composition

The Remuneration Committee shall consist of at least three members, each of whom will be appointed by the Board.

All of the members of the Remuneration Committee shall be Directors of the Company. A majority of the members must be independent Directors.

The members of the Remuneration Committee shall elect one of their members who is an independent Director to be the chairperson of the Remuneration Committee. In that person's absence, any member may chair a meeting of the Remuneration Committee.

The Remuneration Committee may invite such other persons to attend their meetings as they consider appropriate. The Remuneration Committee may, if it considers it appropriate, appoint a secretary.

Meetings and procedure

The Remuneration Committee will meet as frequently as required.

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

The dates, times and venues of each meeting of the Remuneration 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.

Proceedings of the Remuneration Committee will be governed by the provisions of the Constitution, in so far as they are applicable.

Consultation

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

Reporting

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

The chair of the Remuneration Committee must be available at the Annual Shareholders' Meeting to respond to any shareholder questions on the Remuneration Committee's activities and areas of responsibility.

Review

The Remuneration Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board. It must recommend to the Board any suggested changes in the duties and responsibilities of the Remuneration Committee and the terms of this Charter.