UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2022

Commission file number: 001-15317

ResMed Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
98-0152841
(IRS Employer Identification No.)
9001 Spectrum Center Blvd.
San Diego, CA 92123
United States of America
(Address of principal executive offices, including zip code)

(858) 836-5000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.004 per share	RMD	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of " large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of registrant as of December 31, 2021 (the last business day of the registrant's most recently completed second fiscal quarter), computed by reference to the closing sale price of such stock on the New York Stock Exchange, was $37,771,141,000. All directors, executive officers, and 10% stockholders of registrant are considered affiliates.

At August 8, 2022, the registrant had 146,424,981 shares of Common Stock, $0.004 par value, issued and outstanding. This number excludes 41,836,234 shares held by the registrant as treasury shares.

Portions of the registrant's definitive Proxy Statement to be delivered to stockholders in connection with the registrant's 2022 Annual Meeting of Stockholders, to be filed subsequent to the date hereof, are incorporated by reference into Part III of this report.

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As used in this 10-K, the terms "we", "us", "our" and "the Company" refer to ResMed Inc., a Delaware corporation, and its subsidiaries, on a consolidated basis, unless otherwise stated.

RESMED INC. AND SUBSIDIARIES

PART I

Cautionary Note Regarding Forward-Looking Statements

This report contains or may contain certain forward-looking statements and information that are based on the beliefs of our management as well as estimates and assumptions made by, and information currently available to, our management. All statements other than statements regarding historical facts are forward-looking statements. The words "believe," "expect," "intend," "anticipate," "will continue," "will," "estimate," "plan," "future" and other similar expressions, and negative statements of such expressions, generally identify forward-looking statements, including, in particular, statements regarding expectations of future revenue or earnings, expenses, new product development, new product launches, new markets for our products, litigation, tax outlook and the impact of COVID-19. These forward-looking statements are made in accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements reflect the views of our management at the time the statements are made and are subject to a number of risks, uncertainties, estimates and assumptions, including, without limitation, and in addition to those identified in the text surrounding such statements, those identified in Part I, Item 1A "Risk Factors" and elsewhere in this report. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources.

In addition, important factors to consider in evaluating such forward-looking statements include changes or developments in healthcare reform, social, economic, market, legal or regulatory circumstances, including the impact of public health crises such as the novel strain of coronavirus (COVID-19) and its variants that continues to spread globally; changes in our business or growth strategy or an inability to execute our strategy due to changes in our industry or the economy generally, the emergence of new or growing competitors, disruptions and delays in the supply chain, the actions or omissions of third parties, including suppliers, customers, competitors and governmental authorities, geopolitical and economic conditions in foreign jurisdictions where we do business, and various other factors. Furthermore, many of these risks and uncertainties are currently amplified by and may continue to be amplified by the COVID-19 pandemic and the impact of varying private and governmental responses that affect our customers, employees, vendors and the economies and communities where they operate. If any one or more of these risks or uncertainties materialize, or underlying estimates or assumptions prove incorrect, actual results may vary significantly from those expressed in our forward-looking statements, and there can be no assurance that the forward-looking statements contained in this report will in fact occur.

ITEM 1 BUSINESS

General

We are a global leader in digital health and cloud-connected medical devices. We design innovative solutions to treat and keep people out of the hospital, empowering them to live healthier, higher-quality lives. Our digital health technologies and cloud-connected medical devices transform care for people with sleep apnea, chronic obstructive pulmonary disease, or COPD, and other chronic diseases. Our comprehensive out-of-hospital software platforms support the professionals and caregivers who help people stay healthy in the home or care setting of their choice. By enabling better care, our products improve quality of life, reduce the impact of chronic disease, and lower costs for consumers and healthcare systems.

Following our formation in 1989, we commercialized a treatment for obstructive sleep apnea, or OSA. This treatment, continuous positive airway pressure, or CPAP, was the first successful noninvasive treatment for OSA. CPAP systems deliver pressurized air, typically through a mask, to prevent collapse of the upper airway during sleep.

Since the development of CPAP, we have expanded our business by developing or acquiring a number of innovative products and solutions for a broad range of respiratory disorders including technologies to be applied in medical and consumer products, ventilation devices, diagnostic products, mask systems for use in the hospital and home, headgear and other accessories, and dental devices. We offer a comprehensive digital solution suite for patients with COPD or asthma, including those using inhalers, as well as non-invasive or invasive ventilation. In addition, we are a leading provider of cloud-based software health applications and devices designed to provide connected care, enabling clinicians to manage more patients efficiently and effectively, as well as enabling and encouraging patients' long-term adherence to and

satisfaction with their therapy. We also provide management software to agencies providing out-of-hospital care, including but not limited to home medical equipment, or HME, home health and hospice, skilled nursing, life plan community, senior living, and private duty services.

We employ over 8,100 people and sell our products in over 140 countries through a combination of wholly owned subsidiaries and independent distributors.

Our website address is www.resmed.com. Information contained on our website is not part of or incorporated into this report. We make our periodic reports, together with any amendments, available on our website, free of charge, as soon as reasonably practicable after we electronically file or furnish the reports with the Securities and Exchange Commission, or SEC. The SEC maintains an internet site, www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Corporate History

Our Australian subsidiary, ResMed Holdings Limited, was originally organized in 1989 by Dr. Peter Farrell to acquire from Baxter Center for Medical Research Pty Limited, or Baxter, the rights to certain technology relating to CPAP treatment as well as Baxter's existing CPAP device business. Baxter acquired the rights to the technology in 1987 and sold CPAP devices in Australia from 1988 until our acquisition of the business.

ResMed Inc., a Delaware corporation, was formed in March 1994 as the ultimate holding company for our operating subsidiaries. In June 1995, we completed an initial public offering of common stock and our common stock began trading on the NASDAQ National Market. In September 1999, we transferred our principal listing to the New York Stock Exchange, or NYSE, trading under the ticker symbol "RMD". In November 1999, we established a secondary listing of our common stock via Chess Depositary Instruments, or CDIs, on the Australian Stock Exchange (now known as the Australian Securities Exchange), or ASX, also under the symbol "RMD". Ten CDIs on the ASX represent one share of our common stock on the NYSE.

Since formation we have acquired a number of businesses, including distributors, suppliers, developers of medical equipment and related technologies and software solution providers. For example, in the United States our sleep and respiratory care products are sold by ResMed Corp., and our software is sold principally by our Brightree and MatrixCare subsidiaries.

Segment Information

We operate in two segments, which are the Sleep and Respiratory Care segment and the Software as a Service, or SaaS, segment. See Note 14 – Segment Information of the Notes to Financial Statements (Part II, Item 8) for financial information regarding segment reporting. Financial information about our revenues from and assets located in foreign countries is also included in the notes to our consolidated financial statements.

The Market

We are focused on the sleep and related respiratory care markets, both of which we believe are globally underpenetrated markets, and where we believe our products can improve patient outcomes, create efficiencies for our customers, help physicians and providers better manage chronic disease and reduce overall healthcare system costs. Additionally, our software solutions are focused on the out-of-hospital care market, which we believe is fragmented and underserved and where we see significant opportunity to transform and significantly improve out-of-hospital healthcare through a strategy of enabling better patient care, improving clinical decision support, and driving interoperability across out-of-hospital care settings.

Sleep and Respiratory Care

Sleep

Sleep is a complex neurological process that includes two distinct states: rapid eye movement, or REM, sleep and non-rapid eye movement, or non-REM, sleep. REM sleep, which is about 20-25% of total sleep experienced by adults, is characterized by a high level of brain activity, bursts of rapid eye movement, increased heart and respiration rates, and

paralysis of many muscles. Non-REM sleep is subdivided into four stages that generally parallel sleep depth; stage 1 is the lightest and stage 4 is the deepest.

The upper airway has no rigid support and is held open by active contraction of upper airway muscles. Normally, during REM sleep and deeper levels of non-REM sleep, upper airway muscles relax and the airway narrows. Individuals with narrow upper airways or poor muscle tone are prone to temporary collapses of the upper airway during sleep, called apneas, and to near closures of the upper airway called hypopneas. These breathing events result in a lowering of blood oxygen concentration, causing the central nervous system to react to the lack of oxygen or increased carbon dioxide and signaling the body to respond. Typically, the individual subconsciously arouses from sleep, causing the throat muscles to contract, opening the airway. After a few gasping breaths, blood oxygen levels increase and the individual can resume a deeper sleep until the cycle repeats itself. Sufferers of OSA typically experience ten or more such cycles per hour. While these awakenings greatly impair the quality of sleep, the individual is not normally aware of these disruptions. In addition, OSA has been recognized as a cause of hypertension and a significant comorbidity for heart disease, stroke and type 2 diabetes.

A long-term epidemiology study published in 2013 estimated that 26% of adults age 30-70 have some form of obstructive sleep apnea. Another study published in*Lancet Respiratory Medicine* in 2019 estimated that mild to severe OSA impacts more than 936 million people worldwide, including 54 million Americans. Of those impacted, it was estimated that more than 424 million would have moderate to severe sleep apnea. Despite the high prevalence of OSA, there is a general lack of awareness of OSA among both the medical community and the general public. It is estimated that less than 20% of those with OSA have been diagnosed or treated. Many healthcare professionals are often unable to diagnose OSA because they are unaware that such non-specific symptoms as excessive daytime sleepiness, snoring, hypertension, and irritability are characteristic of OSA.

While sleep apnea has been diagnosed in a broad cross-section of the population, until recently, it has typically been diagnosed among middle-aged men who are obese. However, we believe the importance of sleep apnea in women is increasingly being recognized, with nearly 40% of new PAP patients being female. A strong association has been discovered between sleep apnea and a number of cardiovascular and metabolic diseases. Studies have shown that sleep apnea is present in approximately 83% of patients with drug-resistant hypertension, approximately 77% of patients with obesity, approximately 76% of patients with chronic heart failure and approximately 72% of patients with type 2 diabetes.

A study presented at the European Respiratory Society (ERS) International Congress in 2021 and later published in*CHEST* in 2022 found that using PAP therapy as directed can significantly increase sleep apnea patients' chances of living longer. The study concluded that people with obstructive sleep apnea who continued PAP therapy were 39% more likely to survive over a three-year period than OSA patients who didn't. Researchers found that the survival rate gap remained significant when accounting for patients' ages, overall health, other pre-existing conditions, and causes of death.

Sleep-Disordered Breathing and Obstructive Sleep Apnea. Sleep-disordered breathing, or SDB, encompasses all disease processes that cause abnormal breathing patterns during sleep. Manifestations include OSA, central sleep apnea, or CSA, and hypoventilation syndromes that occur during sleep. Hypoventilation syndromes are generally associated with obesity, chronic obstructive lung disease and neuromuscular disease. OSA is the most common form of SDB.

Sleep fragmentation and the loss of the deeper levels of sleep caused by OSA can lead to excessive daytime sleepiness, reduced cognitive function, including memory loss and lack of concentration, depression and irritability. OSA sufferers also experience an increase in heart rate and an elevation of blood pressure during the cycle of apneas. Several studies indicate that the oxygen desaturation, increased heart rate and elevated blood pressure caused by OSA may be associated with increased risk of cardiovascular morbidity and mortality due to angina, stroke and heart attack. Patients with OSA have been shown to have impaired daytime performance in a variety of cognitive functions including problem solving, response speed and visual motor coordination, and studies have linked OSA to increased occurrences of traffic and workplace accidents.

Generally, an individual seeking treatment for the symptoms of OSA is referred by a general practitioner to a sleep specialist for further evaluation. The diagnosis of OSA typically requires monitoring the patient during sleep at either a sleep clinic or the patient's home. During overnight testing, respiratory parameters and sleep patterns may be monitored, along with other vital signs such as heart rate and blood oxygen levels. Simpler tests, using devices such as our ApneaLink Air, NightOwl, or our automatic positive airway pressure devices, monitor airflow during sleep, and use computer

programs to analyze airflow patterns. These tests allow sleep clinicians to detect any sleep disturbances such as apneas, hypopneas or subconscious awakenings.

Before 1981, the primary treatment for OSA was a tracheotomy, a surgical procedure to create a hole in the patient's windpipe. Alternative surgical treatments have involved either uvulopalatopharyngoplasty, or UPPP, in which surgery is performed on the upper airway to remove excess tissue and to streamline the shape of the airway or implanting a device to add support to the soft palate. UPPP alone has a poor success rate; however, when performed in conjunction with multi-stage upper airway surgical procedures, a greater success rate has been claimed. These combined procedures, performed by highly specialized surgeons, are expensive and involve prolonged and often painful recovery periods. Surgical treatments are not considered first line therapy for OSA. Other alternative treatments available today include nasal surgery, mandibular advancement surgery, dental appliances, palatal implants, somnoplasty, nasal devices and electrical stimulation of the nerves or muscles. Alternative pharmaceutical therapy treatments are reported to be under development.

A variety of devices are marketed for the treatment of OSA. Most are only partially effective, but CPAP is a reliable treatment for all severities of OSA and is considered first-line therapy. Use of mandibular advancement devices is increasingly used as a second-line option in patients unable to use CPAP or those with mild OSA. These devices cause the mandible and tongue to be pulled forward and improve the dimensions of the upper airway. CPAP is a non-invasive means of treating OSA. CPAP was first used as a treatment for OSA in 1980 by Dr. Colin Sullivan, the past Chairman of our Medical Advisory Board and was commercialized for treatment of OSA in the United States, or U.S., in the mid-1980s. During CPAP treatment, a patient sleeps with a nasal interface connected to a small portable air device that delivers room air at a positive pressure. The patient breathes in air from the device and breathes out through an exhaust port in the interface. Continuous air pressure applied in this manner acts as a pneumatic splint to keep the upper airway open and unobstructed. Interfaces include nasal masks and nasal pillows. Sometimes, when a patient leaks air through their mouth, a full-face mask may need to be used, rather than a nasal interface.

CPAP is not a cure and, therefore, must be used on a nightly basis as long as treatment is required. Patient compliance has been a major factor in the efficacy of CPAP treatment. Early generations of CPAP units provided limited patient comfort and convenience. Patients experienced soreness from the repeated use of nasal masks and had difficulty falling asleep with the CPAP device operating at the prescribed pressure. In recent years, product innovations to improve patient comfort and compliance have been developed. These include more comfortable patient interface systems; delay timers that gradually raise air pressure allowing the patient to fall asleep more easily; bilevel air devices, including our AirCurve 10 Series and Lumis devices, which provide different air pressures for inhalation and exhalation; heated humidification systems to make the airflow more comfortable; and auto-titration devices that modulate the average pressure delivered during the night.

Respiratory Care

Our aim is to provide respiratory care solutions to patients with COPD, asthma, and other chronic respiratory diseases, such as overlap syndrome, obesity hypoventilation syndrome, or OHS, and neuromuscular disease, including amyotrophic lateral sclerosis, or ALS. We aim to improve their quality of life, slow down disease progression and reduce the costs of patient management.

Our products cover patients ranging from those who only require therapy from CPAP systems at night to those who are dependent on non-invasive or invasive ventilation for life-support. Our devices are predominantly used in the home and, to a lesser extent, in general hospital wards and respiratory wards. We supply CPAP and bilevel device systems, non-invasive and invasive ventilators, humidifiers and accessories, including masks and tubing. We also provide data management systems designed to improve the management of patients.

In March 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus, COVID-19, as a pandemic. We have observed increased demand for our ventilator devices and masks, and during the first six months of the pandemic worked closely with governments, health authorities, hospitals, and physicians in over 100 countries to assess their needs and deliver the ventilation therapy that is essential to treat the respiratory complications of COVID-19. Although there is still substantial uncertainty associated with the COVID-19 pandemic, we believe the global demand for ventilators and other respiratory support devices used to treat COVID-19 patients has largely been met. Our primary focus with regards to the pandemic remains preservation of life; our strategy is to maximize the availability of ResMed ventilators and other respiratory support devices for the patients that need them most.

Chronic Obstructive Pulmonary Disease. COPD encompasses a group of lung diseases defined by persistent airflow limitation, prolongation of exhalation and loss of elasticity in the lungs. It is a progressive and debilitating disease and is associated with an increased inflammatory response in the airways. Symptoms encountered with COPD include shortness of breath as well as chronic cough and increased sputum production. COPD includes diseases such as emphysema and chronic bronchitis. A recent study based on recent epidemiology data estimates that there are over 380 million people worldwide who suffer from COPD, the world's third leading cause of death.

Patients with COPD can have different clinical presentations. Patients with chronic bronchitis present with low level of oxygen (hypoxemia) and elevated levels of carbon dioxide (hypercapnia), a chronic productive cough, cor pulmonale and are commonly overweight. Patients with emphysema have more normal blood gases, are usually thin and hyperinflated and have a decreased diffusion capacity. During sleep, chronic bronchitic patients display more severe hypoxemia. In general, the more hypoxic a COPD patient is during the day the more severe the hypoxemia experienced during sleep. Hypercapnia as a consequence of hypoventilation also occurs in COPD patients and is more pronounced in REM sleep. Some COPD patients may also suffer from comorbid OSA, a condition known as Overlap Syndrome.

Home non-invasive ventilation has the potential to reduce healthcare costs associated with the management of patients with severe COPD by significantly increasing the time between hospital readmissions.

Overlap Syndrome. In patients with COPD-OSA Overlap Syndrome, CPAP has been shown to provide benefits in relation to reducing mortality, decreasing hospitalizations and improving lung function and gas exchange. Non-invasive ventilation, or NIV, has been demonstrated to improve outcomes in patients with acute exacerbations of COPD through its ability to improve respiratory acidosis and decrease dyspnea and work of breathing. It may also increase survival rates and reduce length of hospital stays, as well as reducing complicating factors such as ventilator-associated pneumonia. In patients with stable COPD, the advantages of home NIV are less clear, but clinical studies have shown improvements in dyspnea scores and health-related quality-of-life measures and reductions in hospital readmissions and intensive care stays.

Obesity Hypoventilation Syndrome. OHS is characterized by the combination of obesity, chronic alveolar hypoventilation leading to daytime hypercapnia and hypoxia and sleep apnea after the exclusion of other causes of alveolar hypoventilation. An estimated 90% of patients with OHS also have OSA. In patients with OHS, positive airway therapy, both CPAP and NIV, has been shown to effectively treat upper airway obstruction and reverse daytime respiratory failure as well as reduce the work of breathing and improve respiratory drive.

Neuromuscular Disease. Neuromuscular disease is a broad term that encompasses many diseases that either directly (via intrinsic muscle pathology) or indirectly (via nerve pathology) impair the functioning of muscles. Symptoms of neuromuscular disease and respiratory failure include increasing generalized weakness and fatigue, dysphagia, dyspnoea on exertion and at rest, sleepiness, morning headache, difficulties with concentration and mood changes. Most neuromuscular diseases are characterized by progressive muscular impairment leading to loss of ambulation, being wheelchair-bound, swallowing difficulties, respiratory muscle weakness and, eventually, death from respiratory failure. Neuromuscular disorders can progress rapidly or slowly. Rapidly progressive conditions, such as ALS and Duchenne muscular dystrophy in teenagers, are characterized by muscle impairment which worsens over months and can result in death within a few years. Variable or slowly progressive conditions, such as myotonic muscular dystrophy, are characterized by muscle impairment that worsens over years and may mildly reduce life expectancy.

NIV treatment to patients with neuromuscular disease may lead to improvements in respiratory failure symptoms and daytime arterial blood gases. In ALS patients, NIV treatment has been associated with an improvement in quality of life measures, sleep-related symptoms and survival. Studies have demonstrated that patients with Duchenne muscular dystrophy may improve in quality of life measures and may increase chance of survival with NIV treatment.

Software as a Service

Due to multiple acquisitions, including Brightree in April 2016, HEALTHCAREfirst in July 2018 and MatrixCare in November 2018, our operations now include platforms that comprise our SaaS business. Our SaaS strategy is to develop a portfolio that assists durable or home medical equipment (DME/HME) providers, and other long-term care providers operate more effectively and efficiently across various out-of-hospital care settings. With a comprehensive set of software and services offerings, our SaaS solutions enable providers to streamline workflow and deliver an improved patient experience across our existing vertical markets including HME and home infusion, facility-based organizations including skilled nursing, senior living, and life plan communities, home health and hospice providers, and to adjacent provider

markets through a growing portfolio of value-added solutions with broad market applicability. Our offerings can help providers perform analytics, manage documentation and implement new reimbursement requirements as well as more effectively transfer data as patients move between different care settings.

Business Strategy

We believe that the sleep apnea and respiratory care markets will continue to grow in the future due to a number of factors, including increasing awareness of OSA, CSA and COPD, improved understanding of the role of sleep apnea treatment in the management of cardiac, neurologic, metabolic and related disorders, improved understanding of the role of non-invasive ventilation in the management of COPD, and an increase in the use of digital and product technology to improve patient outcomes and create efficiencies for customers and providers. Our strategy for expanding our business operations and capitalizing on the growth of the sleep apnea and respiratory care markets, as well as growth in out-of-hospital care settings, consists of the following key elements:

- **Continue Product Development and Innovation in Sleep Apnea and Respiratory Care Products.** We are committed to ongoing innovation in developing products for the diagnosis and treatment of sleep apnea. We have been a leading innovator of products designed to treat sleep apnea more effectively, increase patient comfort and encourage compliance with prescribed therapy. In recent years we have introduced a full suite of masks in our AirFit and AirTouch ranges as well as advanced and expanded the integrations of our therapy-based software solutions, including AirView, to promote greater patient adherence. Our recent acquisitions have included a portfolio of sleep apnea products through our acquisition of Curative Medical.

  Likewise, we are committed to ongoing innovation of our respiratory care products that serve the needs of patients with COPD and neuromuscular diseases, providing advanced and expanded the integrations of our therapy-based software solutions including AirView for Respiratory Care, enabling clinicians to remotely monitor patients on some ventilation devices and bilevel devices. We acquired a digital health platform for inhalers through our acquisition of Propeller Health in 2019, rounding out our portfolio to treat COPD patients through their therapy journey across different stages of their disease.

- **Broaden our digital health technology foundation.** Digital enablement is central to our strategy. Our cloud-based digital health applications, along with our devices, are designed to provide connected care to improve patient outcomes and efficiencies for our customers, allowing fewer professionals to manage more patients and empowering patients to track their own health outcomes. We are expanding our cloud-based patient management and engagement platforms, such as AirView, enabling remote monitoring, over-the-air trouble shooting and changing of device settings, U-Sleep enabling automated patient coaching through a text, email or interactive voice phone call and myAir, a patient engagement application that provides sleep data and a daily score based on their previous night's data. In the United States we have released ResMed MaskSelector, an easy-to-use digital tool to make mask selection and sizing easier and more effective, and HelloSleep, an application to help patients prepare for their fitting and first nights of therapy.

  We believe that the combination of continued product development, product and technology acquisitions and innovation are key factors to our ongoing success. Approximately 17% of our employees are devoted to research and development activities.

- **Expand SaaS Solutions in Out-of-Hospital Care Settings.** Our vision is to transform and significantly improve out-of-hospital (OOH) healthcare through a strategy of enabling better patient care, improving clinical decision support, and driving interoperability across out-of-hospital healthcare settings. Since acquiring Brightree in 2016, plus MatrixCare and HEALTHCAREfirst in 2018, we offer software solutions across multiple out-of-hospital healthcare settings including HME, home health and hospice, skilled nursing, life plan communities, senior living, and private duty. Our announced acquisition of MEDIFOX DAN in June 2022, pending regulatory clearances, will expand ResMed's SaaS business outside the U.S. to Germany, and will add new out-of-hospital care sectors to the business' ecosystem, including outpatient therapy. We are connecting capabilities across the platforms in these out-of-hospital care settings to help our customers be more efficient, better serve people, keep them out-of-hospital, and in lower-cost, higher-quality care settings. Today, our SaaS solutions serve OOH customers combining over 115 million individual accounts.

- **Expand Geographic Presence.** We market our products in more than 140 countries to sleep clinics, home healthcare dealers, patients and third-party payors. We intend to increase our sales and marketing efforts in our principal markets, as well as expand the depth of our presence in other high-growth geographic regions. In 2016,

we acquired Curative Medical to invest in the China market and expand our growth potential in sleep apnea, COPD and respiratory care in China. In 2019, we acquired HB Healthcare, a privately owned HME that serves both reimbursed and cash-pay customers of sleep and respiratory care devices in South Korea. In 2021, we acquired Tong-il, another leading sleep and respiratory care HME provider in South Korea, reinforcing both our commitment and capability to serve millions of South Korean patients living with sleep apnea, COPD, and other chronic respiratory diseases.

- **Increase Public and Clinical Awareness.** We continue to expand our existing promotional activities to increase awareness of sleep apnea, COPD and other clinical conditions that can be treated with our industry-leading solutions. These promotional activities target both the population predisposed to sleep apnea and medical specialists, such as pulmonologists, sleep medicine specialists, primary care physicians, cardiologists, neurologists and other medical subspecialists who treat these conditions and their associated comorbidities. We target special interest groups, including the National Stroke Association, the American Heart Association, COPD Foundation and the National Sleep Foundation, to further increase awareness of the relationship between OSA, COPD, neuromuscular disease and comorbidities such as cardiac disease, diabetes, hypertension and obesity. The programs also support our efforts to inform the community of the dangers of sleep apnea with regard to occupational health and safety, especially in the transport industry. We have helped establish a center for clinical care and medical research at the University of California, San Diego, in the fields of sleep apnea and COPD.
- **Expand into New Clinical Applications.** We continually seek to identify new applications of our technology for significant unmet medical needs. Studies have established a clinical association between OSA and both stroke and chronic heart failure, and have recognized sleep apnea as a cause of hypertension or high blood pressure. Research also indicates that sleep apnea is independently associated with glucose intolerance and insulin resistance. Additionally, research supported by ResMed has demonstrated that the addition of non-invasive ventilation to patients with severe COPD who are receiving oxygen therapy, provides meaningful clinical benefits to the patient, and the broader healthcare system. We maintain close working relationships with a number of prominent physicians to explore new medical applications for our products and technology.
- **Leverage the Experience of our Management Team.** Our senior management team has extensive experience in the medical device industry in general, and in the fields of sleep apnea, respiratory care and healthcare informatics in particular. We intend to continue to leverage the experience and expertise of these individuals to maintain our innovative approach to the development of products and solutions, and to increase awareness of the serious medical problems caused by sleep apnea and the use of non-invasive ventilation, and in-home life-support ventilation to treat COPD and other chronic respiratory diseases.

Products

Our portfolio of products includes devices, diagnostic products, mask systems, headgear and other accessories, dental devices and cloud-based software informatics solutions. For purposes of the following discussion, we refer to our air flow generators and ventilators collectively as devices.

Devices

We produce cloud-connected CPAP, APAP, bilevel, and ASV devices that deliver positive airway pressure through a patient interface, either a mask or cannula. Our APAP devices, known as AutoSet, are based on a proprietary technology to monitor breathing and can also be used in the diagnosis, treatment and management of OSA. During fiscal year 2017, we launched AirMini, a small portable CPAP combining the same proven therapy modes used in the AirSense 10 with effective waterless humidification enabling portable convenience. We commenced a controlled product launch of AirSense 11 in fiscal year 2021, which was followed by a broader launch throughout fiscal year 2022. AirSense 11 introduced new features such as a touch screen, algorithms for patients new to therapy and digital enhancements, such as over-the-air update capabilities. We also acquired a line of Chinese-developed and manufactured sleep and ventilation devices with the acquisition of Curative Medical in fiscal year 2016. Devices in total accounted for approximately 52%, 50% and 51% of our net revenues in fiscal years 2022, 2021 and 2020, respectively.

RESMED INC. AND SUBSIDIARIES

The tables below provide a selection of products, as known by our trademarks.

CPAP, APAP & BILEVEL PRODUCTS	DESCRIPTION
AirSense 11 – AutoSet – CPAP – Elite	Combining enhanced digital health technology with effective therapy modes, AirSense™ 11 APAP and CPAP machines are designed to make starting sleep apnea therapy, and adhering to it, easier and more convenient than ever before. Our newest device, AirSense 11 includes new features like Personal Therapy Assistant and Care Check-In designed to provide tailored guidance to PAP users, helping ease them into therapy and comfortable nightly use. Other features include the availability of remote software updates so users can enjoy the latest version of these tools every night.
AirSense 10 – AutoSet – AutoSet for Her – CPAP – Elite – Card-to-Cloud	AirSense™ 10 is one of the world's most widely used series of CPAP and APAP machines, each designed to deliver high-quality therapy for a better night's sleep. Features include a built-in humidifier, Climate Control Auto setting to provide breathing comfort, AutoRamp™ with sleep onset detection, and expiratory pressure relief (EPR™).
AirCurve 10 Bilevel – AirCurve 10 S – AirCurve 10 VAuto – AirCurve 10 ASV – AirCurve 10 VAuto – Card-to-Cloud	AirCurve™ 10 bilevel machines include two pressure level settings: a higher pressure when you inhale, and a lower pressure that makes it easier to exhale. AirCurve 10 S and AirCurve 10 VAuto both treat obstructive sleep apnea, while AirCurve 10 ASV treats central sleep apnea. All machines include a built-in humidifier and Climate Control Auto setting to provide breathing comfort.
AirMini portable CPAP	The smallest portable CPAP on the market today, AirMini features the same auto-adjusting therapy modes used in the AirSense™ 10 Auto. The device also features built-in Bluetooth connectivity and effective waterless humidification enabled by HumidX technology.

VENTILATION PRODUCTS	DESCRIPTION
Stellar 150	ResMed Stellar™ 150 ventilator is suitable for invasive and non-invasive ventilation, either at home or in a healthcare setting. It is not a life support ventilator. Stellar 150 also includes iVAPS™ (intelligent Volume-Assured Pressure Support) 1 technology to adjust to your changing respiratory needs.
Astral 100 and 150	ResMed Astral™ 100 and Astral 150 provide personalized care every step of the way. With both invasive and non-invasive options, they offer a lightweight design, exceptional battery life and adaptive technologies to provide greater mobility and peace of mind.
AirCurve 10 ST-A	Designed for people with respiratory conditions that affect breathing such as restrictive lung disorders, severe COPD and hypoventilation, AirCurve™ 10 ST-A combines user-friendly controls, an intuitive interface and automatic features to make ventilation therapy effective, comfortable and hassle-free.

Mask Systems, Diagnostic Products, Accessories and Other Products

Masks, diagnostic products and accessories together accounted for approximately 37%, 38% and 37% of our net revenues in fiscal years 2022, 2021 and 2020, respectively.

Mask Systems

Mask systems are one of the most important elements of sleep apnea treatment systems. Masks are a primary determinant of patient comfort and as such may drive or impede patient compliance with therapy. We have been a consistent innovator in small nasal, nasal pillows and full-face masks, by improving patient comfort while minimizing size and weight.

The table below provides an of overview of our mask systems by category.

CATEGORY	DESCRIPTION
Minimalist	AirFit F30, AirFit P10, and AirFit N30 minimalist masks feature our lightest, lowest profile designs. The features of these masks are focused on minimizing contact with the patient's face to reduce red marks and irritation.
Freedom	AirFit N30i, AirFit P30i, and AirFit F30i freedom masks, which feature top-of-head tubing design allowing flexibility to easily switch sleep positions.
Ultra Soft	The AirTouch F20 and AirTouch N20 masks feature a soft and breathable AirTouch cushion designed to enhance CPAP mask comfort.
Universal Fit	AirFit F20 and AirFit N20 masks are designed to fit a wide range of faces due to the InfinitySeal silicone cushion that adapts to unique facial contours, which increases comfort, improves the fit and reduces leakage.

Diagnostic Products

We market sleep recorders for the diagnosis and titration of sleep apnea in sleep clinics, hospitals and at home. These diagnostic systems record relevant respiratory and sleep data, which can be analyzed by a sleep specialist or physician who can then tailor an appropriate OSA treatment regimen for the patient.

PRODUCTS	DESCRIPTION
ApneaLink Air	A portable diagnostic device that measures oximetry, respiratory effort, pulse, nasal flow and snoring. Works with AirView Diagnostics to provide comprehensive diagnostic solution to clinicians.
NightOwl	A portable, cloud-connected, fully disposable diagnostic device that measures AHI based on peripheral arterial tone (PAT), actigraphy, and oximetry over several nights to capture variability and help avoid misdiagnosis.

Connected Solutions and Other Products

We have a suite of products that are designed to allow fewer professionals to manage more patients and empower patients to track their own health outcomes. We are expanding our cloud-based patient management and engagement platforms, such as AirView, enabling remote monitoring, over-the-air trouble shooting and changing of device settings, U-Sleep enabling automated patient coaching through a text, email or interactive voice phone call and myAir, a patient engagement application that provides sleep data and a daily score based on their previous night's data.

PRODUCTS	DESCRIPTION
AirView	A cloud-based system enabling remote monitoring and changing of patients' device settings. AirView also makes it easier to simplify workflows and collaborate more efficiently across the patient's care network.
myAir	A personalized therapy management application for patients with sleep apnea providing support, education and troubleshooting tools for increased patient engagement and improved compliance.
U-Sleep	A compliance monitoring solution that enables HMEs to streamline their sleep programs to achieve better business and patient outcomes.
Connectivity Module	A module providing cellular connection between our compatible ventilation devices (e.g., Astral, Stellar) and our AirView™ system.
Propeller	Propeller's inhaler sensors track medication usage and pair with a companion smartphone application, giving people with asthma or COPD a better understanding of their disease and promoting increased adherence to treatment. The Propeller Provider Portal gives clinicians the timely and accurate information they need to make better treatment decisions.

SaaS Products

Following multiple acquisitions, including Brightree in April 2016, HEALTHCARE*first* in July 2018 and MatrixCare in November 2018, we now supply out-of-hospital software products designed to support the professionals and caregivers helping people stay healthy in the home or care setting of their choice. SaaS revenue accounted for approximately 11%, 12% and 12% of our net revenue in fiscal years 2022, 2021 and 2020, respectively.

PRODUCTS	DESCRIPTION
Brightree solutions	Brightree enables out-of-hospital care organizations to improve their business performance and deliver better health outcomes. As an industry-leading cloud-based healthcare IT company, Brightree provides solutions and services for thousands of organizations in home medical equipment and pharmacy, orthotic and prosthetic, and home infusion.
MatrixCare solutions	MatrixCare's EHR software as a service solutions are used by skilled nursing and senior living providers, life plan communities (CCRCs), and home health and hospice organizations to improve efficiencies and promote a better quality of life for the people they serve.
HEALTHCAREfirst solutions	HEALTHCAREfirst offers electronic health record, or EHR, software, billing and coding services, and advanced analytics that enable home health and hospice agencies to optimize their clinical, financial and administrative processes.

Product Development and Clinical Trials

We have a strong track record of innovation in the sleep and respiratory care markets. In 1989, we introduced our first CPAP device. Since then we have been committed to an ongoing program of product advancement and development. Currently, our product development and clinical trial efforts are focused on not only improving our current product offerings and usability, but also expanding into new product applications.

We continually seek to identify new applications of our technology for significant unmet medical needs. Sleep apnea is associated with a number of symptoms beyond excessive daytime sleepiness and irritability. Studies have established a clinical association between untreated sleep apnea and systemic hypertension, diabetes, coronary artery disease, stroke, atrial fibrillation, chronic heart failure, and mortality.

Across the sleep and respiratory care platforms, we support clinical trials in many countries including the United States, Germany, Netherlands, France, Japan, the United Kingdom, Switzerland, China, Spain, Canada, Singapore, and Australia to develop new clinical applications for our technology. We also continue to support some of the largest sleep apnea studies in history by performing advanced statistical analyses on millions of real-world clinical data points collected through our cloud-connected devices and patient engagement tools. These studies, which we have begun to publish, provide clinical insights around patient management, device settings and predictors of patient adherence that inform our product development efforts.

We consult with physicians at major medical centers throughout the world to identify clinical and technological trends in the treatment of sleep apnea, COPD and the other conditions associated with these diseases. New product ideas are also identified by our marketing staff, direct sales force and network of distributors, customers, clinicians and patients.

Sales and Marketing

We currently market our products in more than 140 countries through a network of distributors and our direct sales force. We attempt to tailor our marketing approach to each national market, based on regional awareness of sleep apnea as a health problem, physician referral patterns, consumer preferences and local reimbursement policies. See Note 14 – Segment Information of the Notes to Consolidated Financial Statements (Part II, Item 8) for financial information about our geographic areas.

United States, Canada, and Latin America. Our products are typically purchased by a home healthcare dealer who then sells the products to the patient. The decision to purchase our products, as opposed to those of our competitors, is made or influenced by one or more of the following individuals or organizations: the prescribing physician and their staff; the home healthcare dealer; the insurer and the patient. In the United States, Canada, and Latin America, our sales and marketing activities are conducted through a field sales organization made up of regional territory representatives, program development specialists and regional sales directors. Our field sales organization markets and sells products to home healthcare dealer branch locations throughout the United States, Canada, and Latin America.

We also market our products directly to physicians and sleep clinics. Patients who are diagnosed with OSA or another respiratory condition and prescribed our products are typically referred by the diagnosing physician or sleep clinic to a home healthcare dealer to fill the prescription. The home healthcare dealer, in consultation with the referring physician, will assist the patient in selecting the equipment, fit the patient with the appropriate mask and set the device pressure to the prescribed level.

Our SaaS solutions are sold to providers of healthcare in various out-of-hospital settings. We market and sell our Brightree business management software and service solutions to providers in the U.S. and our primary markets are HME, pharmacy, home infusion, orthotics and prosthetics. Our sales activities for Brightree products are conducted through a sales organization made up of strategic account managers, sales engineers and sales directors. We develop, market and sell our MatrixCare care management and related ancillary solutions to providers in the U.S. and our primary markets are senior living; skilled nursing; life plan communities; home health, home care, and hospice agencies as well as related accountable care organizations. Our MatrixCare management solutions are primarily sold through direct sales and ancillary solutions are sold both through direct sales and channel partners.

Combined Europe, Asia, and other markets. We market our products in most major countries in combined Europe, Asia and other markets. We have wholly owned subsidiaries in Australia, Austria, China, Czech Republic, Denmark, Finland, France, Germany, India, Ireland, Japan, Korea, Netherlands, New Zealand, Norway, Poland, Sweden, Switzerland, Taiwan, Thailand, and the United Kingdom. We use a combination of our direct sales force and independent distributors to sell our products in combined Europe, Asia and other markets. We select independent distributors in each country based on their knowledge of respiratory medicine and a commitment to sleep apnea therapy. In countries where we sell our products direct, a local senior manager is responsible for direct national sales. In many countries we sell our products to home healthcare dealers or hospitals who then sell the products to the patients. In Germany, Australia, New Zealand, and South Korea, we also operate home healthcare business models, in which we provide products and services directly to patients.

We only sell our SaaS products in the United States; however we will also have sales in Germany once ResMed's acquisition of MEDIFOX DAN is complete.

Manufacturing

We operate a globally distributed manufacturing network designed to optimize quality, cost control, time to market for new product introduction and supply chain resilience. Our manufacturing operations consist of specialist component production as well as assembly and testing of our devices, masks and accessories. Of the numerous raw materials, parts and components purchased for assembly of our therapeutic and diagnostic sleep disorder products, many are available from multiple vendors. We also purchase uniquely configured components from various suppliers, including some who are single-source suppliers for us. Any reduction or halt in supply from one of these suppliers could limit our ability to manufacture our products or devices until a replacement supplier is found and qualified. We generally manufacture to our internal sales forecasts and fill orders as received. We strive for continuous improvement in manufacturing processes to deliver year-on-year improvement in output, cost and product quality. Each manufacturing site and team are responsible for the quality of their product group and decisions are based on performance and quality measures, including customer feedback.

The COVID-19 pandemic has continued to impact the global supply chain, primarily through constraints on raw materials and electronic components, including semiconductor chips. These constraints have impacted and may continue to impact our ability to manufacture products in quantities necessary to satisfy customer demand, which could negatively impact our results of operations. Additionally, we have observed a reduction in both inbound and outbound transportation capacity as a result of port closures and delays associated with the pandemic, which is causing longer lead times in receiving raw materials into and distributing finished goods out of our manufacturing facilities, as well as increased freight costs. We are actively working to mitigate the impact of the widespread supply chain and logistics issues.

Our quality management system is based upon the requirements of ISO 9001, ISO 13485, FDA Quality System Regulation for Medical Devices, European Medical Device Regulation ("MDR"), the Medical Device Directive (93/42/EEC) and other applicable regulations for the markets in which we sell. Our main manufacturing sites are certified to ISO 13485 and are audited at regular intervals by a Notified Body. Additionally, our Sydney, Tuas, San Diego, Atlanta and Moreno Valley sites are certified under the Medical Device Single Audit Program or MDSAP, an audit of medical device manufacturers' quality management system to satisfy multiple regulatory requirements. MDSAP audits are conducted by a MDSAP recognized auditing organization and can fulfill the needs of multiple regulatory jurisdictions (e.g., Australia, Brazil, Canada, Japan, and the United States of America).

Our main manufacturing facilities are located in Tuas, Singapore; Sydney, Australia; Chatsworth, California; Johor Bahru, Malaysia; Atlanta, Georgia and Suzhou, China. Refer to Item 2 for additional details on these properties.

Third-Party Coverage and Reimbursement

The cost of medical care in many of the countries in which we operate is funded in substantial part by government and private insurance programs. In Germany and Korea, we receive payments directly from these payors. While we do not generally receive direct payments for our products from payors in other countries, our success depends on the ability of patients to obtain coverage and adequate reimbursement from those payors.

In the United States, our products are purchased primarily by home healthcare dealers, hospitals or sleep clinics, who invoice third-party payors directly for reimbursement. Domestic third-party payors include government payors such as Medicare and Medicaid and commercial health insurance plans. These payors may deny coverage and reimbursement if they determine that a device is not used in accordance with certain covered treatment methods, or is experimental, unnecessary or inappropriate. The long-term trend towards cost-containment, through managed healthcare, or other legislative proposals to reform healthcare, could control or significantly influence the purchase of healthcare services and products and could result in lower prices for our products. In some foreign markets, such as France, Germany, and Japan, government reimbursement is currently available for purchase or rental of our products, subject to constraints such as price controls or unit sales limitations. In Australia, China, and some other foreign markets, there is currently limited or no reimbursement for devices that treat OSA.

Healthcare reform in the United States continues to bring significant changes to the third-party payor landscape. In 2011, the Centers for Medicare & Medicaid Services, or CMS, implemented the Durable Medical Equipment, Prosthetics,

Orthotics and Supplies (DMEPOS) competitive bidding program, which included DME that we manufacture and develop, specifically, CPAP and respiratory assist devices (or bilevel devices), and related supplies and accessories. CMS is required by law to recompete these contracts at least once every three years. In addition, the 2010 Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the ACA, required CMS to roll out the competitive bidding process nationally or adjust prices in non-competitive bidding areas, also known as the non-bid or Round 3 areas, to match competitive bidding prices by 2016. CMS phased in the new rates beginning January 1, 2016, and the rates became fully effective July 1, 2016. The implementation of the competitive acquisition program has resulted in reduced Medicare payment for CPAP and respiratory assist devices, and related supplies and accessories in both competitive bidding areas and non-competitive bidding areas. Through an Interim Final Rule issued in May 2018, CMS increased the fee schedule amounts for certain DME in non-bid areas that qualify as rural and non-contiguous, setting payment for these areas for June 1, 2018 to December 31, 2018 at a 50/50 blended reimbursement rate based on the pre-competitive bidding reimbursement rate and the adjusted reimbursement rate set through competitive bidding.

Due to the lapse of competitive bid contracts as of December 31, 2018, effective January 1, 2019, Medicare beneficiaries could receive DME from any Medicare-enrolled supplier during a temporary gap in the competitive bidding program between January 1, 2019 and December 31, 2020. Pricing in competitive bidding areas and non-rural, contiguous non-bid areas continued to use adjusted fee schedule amounts, subject to annual Consumer Price Index (CPI) adjustments, during this temporary gap period beginning in 2019 through December 31, 2020. On December 28, 2021, CMS released a Final Rule that, among other things, extended the blended fee schedule amounts for non-bid rural and non-contiguous areas through the end of the COVID-19 public health emergency, which has been renewed through October 13, 2022, and a blended fee schedule amount was implemented for all other areas for the same period.

CMS competed 16 product categories in Round 2021 of the DMEPOS competitive bidding program, which took effect on January 1, 2021 and extends through December 31, 2021. There have been some revisions to the bidding methodology including the plan to implement surety bond requirements, lead item pricing, and setting reimbursement rates at the maximum winning bid rate instead of the median winning bid rate. Although CMS previously expanded the categories of devices subject to competitive bidding to include non-invasive ventilators, or NIVs, starting in 2021, in response to the COVID-19 pandemic, CMS removed NIVs from Round 2021 of the DMEPOS Competitive Bidding Program. Of the 15 remaining product categories that were bid for in Round 2021, CMS awarded competitive bidding contracts for only two categories, off-the-shelf (OTS) back braces and OTS knee braces. All other product categories were removed from Round 2021. Payment for the items where contracts were not awarded will be based on adjusted fee schedule amounts, pending further rulemaking.

The Protecting Medicare and American Farmers From Sequester Cuts Act was signed into law Dec 10, 2021. The law extended the 2% Medicare sequester moratorium through March 31, 2022, and adjusted the sequester to 1% between April 1, 2022, and June 30, 2022 and reinstates the full 2% sequestration cut beginning July 1, 2022. The payment reduction applicable to healthcare providers applies to the approved Medicare payment amount, after the deductible and coinsurance are applied. The reduction in payment does not affect the 20% coinsurance owed by the patient. Further, the law eliminated the potential for an additional 4% Medicare sequester in 2022 due to statutory pay-as-you-go (PAYGO) requirement for one year. The cuts will take effect in 2023 after adjournment of the first session of the 117th Congress.

The ACA, which was passed both to expand the number of individuals with healthcare coverage and to develop additional revenue sources, also included, among other things, a deductible excise tax equal to 2.3% of the price for which medical devices are sold in the United States on any entity that manufactures or imports medical devices, with limited exceptions, beginning in 2013. However, this excise tax was subsequently suspended by the U.S. Congress for medical device sales, beginning in 2016 and permanently repealed, effective January 1, 2020. The ACA also provided for a number of Medicare regulatory requirements, including new face-to-face encounter requirements for DME and home health services.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace, which began on February 15, 2021 and remained open through August 15, 2021. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that

include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, resulted in reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2021, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

We expect that the ACA, these new laws and other healthcare reform measures that may be adopted in the future may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for our products and services. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may have a material adverse impact on our revenues, profit margins, profitability, operating cash flows and results of operations.

Service and Warranty

We generally offer either one-year or two-year limited warranties on our devices. In some regions and for certain customers we also offer extended warranties on our devices for one to three years in addition to our limited warranty. Warranties on mask systems are for 90 days. Our distributors either repair our products with parts supplied by us or arrange shipment of products to our facilities for repair or replacement. We receive returns of our products from the field for various reasons. We believe that the level of returns experienced to date is consistent with levels typically experienced by manufacturers of similar devices. We provide for warranties and returns based on historical data.

Competition

The markets for our products and services are highly competitive. We believe that the principal competitive factors in all of our markets are product features, value-added solutions, reliability and price. Customer support, reputation and efficient distribution are also important factors. We compete on a market-by-market basis with various companies, some of which have greater financial, research, manufacturing and marketing resources than us. The disparity between our resources and those of our competitors may increase as a result of the trend towards consolidation in the healthcare industry. In addition, some of our competitors are affiliates of customers of ours, which may make it difficult to compete with them.

Our primary Sleep and Respiratory Care competitors include Philips BV; Fisher & Paykel Healthcare Corporation Limited; DeVilbiss Healthcare; Apex Medical Corporation; BMC Medical Co. Ltd.; and regional and new entrant manufacturers seeking to enter our markets. Finally, our products compete with surgical procedures, nerve stimulation devices and dental appliances designed to treat OSA and other sleep apnea-related respiratory conditions. The development of new or innovative procedures, devices or therapies, such as pharmaceutical, by others could result in our products becoming obsolete or noncompetitive, which would harm our revenues and financial condition.

For our SaaS business, the market is highly competitive, rapidly evolving, and subject to changing technology, low barriers to entry, shifting customer needs and frequent introductions of new products and services. The development of new or innovative solutions by others could result in our solutions becoming obsolete or noncompetitive, which would harm our revenues and financial condition.

Any product developed by us will have to compete for market acceptance and market share. An important factor in such competition may be the timing of market introduction of competitive products and solutions. Accordingly, the speed with which we can develop products and solutions, complete clinical testing and regulatory clearance processes and provide commercial supply of products and solutions to the market are important competitive factors. In addition, our ability to compete will continue to be dependent on successfully protecting our patents and other intellectual property.

Patents and Proprietary Rights and Related Litigation

We rely on a combination of patents, designs, trademarks, trade secrets, copyrights, and non-disclosure agreements to protect our proprietary technology and rights. Some of these patents, patent applications and designs relate to significant aspects and features of our products. We believe the combination of these rights, in aggregate, are of material importance to each of our businesses. Through our various subsidiaries, as of the date of this report, we own or have licensed rights to approximately 9,100 pending, allowed or granted patents and designs. Patents and designs have various statutory terms based on the legislation in individual jurisdictions which may be subject to change. Of our patents, 565 U.S. patents and 1,435 foreign patents are due to expire in the next five years. We believe that the expiration of these patents will not have a material adverse impact on our competitive position.

Litigation has been necessary in the past and may be necessary in the future to enforce patents issued to us, to protect our rights, or to defend third-party claims of infringement by us of the proprietary rights of others. The defense and prosecution of patent claims, including pending claims, as well as participation in other inter-party proceedings, can be expensive and time-consuming, even in those instances in which the outcome is favorable to us. Patent laws regarding the enforceability of patents vary from country to country. Therefore, there can be no assurance that patent issues will be uniformly resolved, or that local laws will provide us with consistent rights and benefits.

Government Regulations

FDA

Our products are subject to extensive regulation particularly as to safety, efficacy and adherence to FDA Quality System Regulation, and related manufacturing standards. Medical device products are subject to rigorous FDA and other governmental agency regulations in the United States and similar regulations of foreign agencies abroad. The FDA regulates the design, development, research, preclinical and clinical testing, introduction, manufacture, advertising, labeling, packaging, marketing, distribution, import and export, and record keeping for such products, in order to ensure that medical products distributed in the United States are safe and effective for their intended use. In addition, the FDA is authorized to establish special controls to provide reasonable assurance of the safety and effectiveness of most devices. Non-compliance with applicable requirements can result in import detentions, fines, civil and administrative penalties, injunctions, suspensions or losses of regulatory approvals, recall or seizure of products, operating restrictions, refusal of the government to approve product export applications or allow us to enter into supply contracts, and criminal prosecution.

Unless an exemption applies, the FDA requires that a manufacturer introducing a new medical device or a new indication for use of an existing medical device obtain either a Section 510(k) premarket notification clearance or a premarket approval, or PMA, before introducing it into the U.S. market. The type of marketing authorization is generally linked to the classification of the device. The FDA classifies medical devices into one of three classes (Class I, II or III) based on the degree of risk the FDA determines to be associated with a device and the level of regulatory control deemed necessary to ensure the device's safety and effectiveness.

Our products currently marketed in the United States are marketed pursuant to 510(k) pre-marketing clearances and are either Class I or Class II devices. The process of obtaining a Section 510(k) clearance generally requires the submission of performance data and often clinical data, which in some cases can be extensive, to demonstrate that the device is "substantially equivalent" to a device that was on the market before 1976 or to a device that has been found by the FDA to be "substantially equivalent" to such a pre-1976 device, a predecessor device is referred to as "predicate device." As a result, FDA clearance requirements may extend the development process for a considerable length of time. In addition, in some cases, the FDA may require additional review by an advisory panel, which can further lengthen the process. The PMA process, which is reserved for new devices that are not substantially equivalent to any predicate device and for high-risk devices or those that are used to support or sustain human life, may take several years and requires the submission of extensive performance and clinical information.

Medical devices can be marketed only for the indications for which they are cleared or approved. After a device has received 510(k) clearance for a specific intended use, any change or modification that significantly affects its safety or effectiveness, such as a significant change in the design, materials, method of manufacture or intended use, may require a new 510(k) clearance or PMA approval and payment of an FDA user fee. The determination as to whether or not a modification could significantly affect the device's safety or effectiveness is initially left to the manufacturer using available FDA guidance; however, the FDA may review this determination to evaluate the regulatory status of the modified

product at any time and may require the manufacturer to cease marketing and recall the modified device until 510(k) clearance or PMA approval is obtained. The manufacturer may also be subject to significant regulatory fines or penalties.

Any devices we manufacture and distribute pursuant to clearance or approval by the FDA are subject to pervasive and continuing regulation by the FDA and certain state agencies. These include product listing and establishment registration requirements, which help facilitate FDA inspections and other regulatory actions. As a medical device manufacturer, all of our manufacturing facilities are subject to inspection on a routine basis by the FDA. We are required to adhere to applicable regulations setting forth detailed cGMP requirements, as set forth in the QSR, which require, manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all phases of the design and manufacturing process. Noncompliance with these standards can result in, among other things, fines, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, refusal of the government to grant 510(k) clearance or PMA approval of devices, withdrawal of marketing approvals and criminal prosecutions. We believe that our design, manufacturing and quality control procedures are in compliance with the FDA's regulatory requirements.

We must also comply with post-market surveillance regulations, including medical device reporting requirements which require that we review and report to the FDA any incident in which our products may have caused or contributed to a death or serious injury. We must also report any incident in which our product has malfunctioned if that malfunction would likely cause or contribute to a death or serious injury if it were to recur.

Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. Medical devices approved or cleared by the FDA may not be promoted for unapproved or uncleared uses, otherwise known as "off-label" promotion. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including substantial monetary penalties and criminal prosecution.

Sales of medical devices outside the United States are subject to regulatory requirements that vary widely from country to country.

EEA

In the European Economic Area, (which is comprised of the 27 member states of the European Union plus Norway, Iceland and Liechtenstein), or EEA, medical devices need to comply with specific requirements. These requirements were previously known as "Essential Requirements" under the former EU Medical Devices Directive (Council Directive 93/42/EEC, or MDD) and are now defined "General Safety and Performance Requirements (GSPR)" under the new EU Medical Devices Regulation (Regulation (EU) 2017/745, or MDR). While the requirements set forth in the MDR are generally consistent with those laid out in the MDD (with a few exceptions), the GSPR are described more in detail compared to the Essential Requirements. Compliance with the Essential Requirements (under the MDD) or the GSPR (under the MDR) is a prerequisite to be able to affix the CE marking to medical devices, without which they cannot be marketed or sold in the EEA. To demonstrate compliance with the Essential Requirements/GSPR and affix the CE marking, manufacturers of medical devices must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low-risk medical devices (Class I with no measuring function and which are not sterile), where the manufacturer can issue an EC Declaration of Conformity based on a self-assessment of the conformity of its products with the Essential Requirements/GSPR, a conformity assessment procedure requires the intervention of a Notified Body, which is a third-party organization designated by a competent authority of an EEA country to conduct conformity assessments. Depending on the relevant conformity assessment procedure, the Notified Body would audit and examine the Technical File and the quality system for the manufacture, design and final inspection of the devices. The Notified Body issues a CE Certificate of Conformity following successful completion of a conformity assessment procedure conducted in relation to the medical device and its manufacturer and their conformity with the Essential Requirements/GSPR. This Certificate entitles the manufacturer to affix the CE marking to its medical devices after having prepared and signed a related EC Declaration of Conformity.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the Essential Requirements/GSPR must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse

events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence.

All manufacturers placing medical devices into the market in the EEA must comply with the EU Medical Device Vigilance System. Under the MDR, incidents must be reported centrally in the European EUDAMED database (although transitional provisions are in place until EUDAMED is fully functional), and manufacturers are required to take Field Safety Corrective Actions, or FSCAs, to prevent or reduce a risk of death or serious deterioration in the state of health associated with the use of a medical device that is already placed on the market. An incident is defined as any malfunction or deterioration in the characteristics and/or performance of a device, as well as any inadequacy in the labeling or the instructions for use. The MDR considers "serious incidents" those incidents which, directly or indirectly, led, might lead to or might have led to the death of a patient or user or of other persons, a serious deterioration in their state of health, or a serious public health threat. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. FSCAs must be communicated by the manufacturer or its legal representative to its customers and/or to the end users of the device through Field Safety Notices. Where appropriate, our products commercialized in Europe are CE marked and classified as either Class I or Class II.

On April 5, 2017, the European Parliament passed the MDR, which repeals and replaces the MDD. Unlike directives, which must be implemented into the national laws of the EEA member states, the regulations would be directly applicable (i.e., without the need for adoption of EEA member State laws implementing them) in all EEA member states and are intended to eliminate current differences in the regulation of medical devices among EEA member States. The MDR, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation. Regulation (EU) 2017/746 (IVDR), applicable as of May 26, 2022, provides for the regulatory framework applicable to in vitro diagnostic medical devices.

The MDR was meant to become applicable three years after publication (in May 2020). However, on April 23, 2020, to allow EEA national authorities, notified bodies, manufacturers and other actors to focus fully on urgent priorities related to the COVID-19 pandemic, the European Council and Parliament adopted Regulation 2020/561, postponing the date of application of the MDR by one year. The MDR thus became applicable on May 26, 2021. The MDR transitional provisions allow the placing on the market of devices with a CE Certificate issued in accordance with the MDD until May 26, 2024, under certain conditions. Moreover, the MDR provides that the following medical devices with a CE Certificate issued in accordance with the MDD may continue to be made available on the market or put into service until May 26, 2025.

- Devices placed on the market in compliance with the MDD prior to May 26, 2021; and
- Devices placed on the market after May 26, 2021, benefiting from the described MDR transitional provisions.

The MDR, among other things:

- strengthens the rules on placing devices on the market and reinforces surveillance once they are available;
- establishes explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improves the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- sets up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthens rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

We have received certification or initiated the MDR certification process at several locations, including Sydney, Australia; San Diego, California; and Lyon, France. We continue to transition our certification profile to meet the new MDR requirements.

Other regulatory bodies

Our devices are sold in multiple countries and often need to be registered with local regulatory bodies such as the Therapeutic Goods Administration in Australia, Health Canada in Canada and CFDA in China.

Other Healthcare Laws

We are subject to a number of laws and regulations that may restrict our business practices, including, without limitation, anti-kickback, false claims and transparency laws with respect to payments and other transfers of value made to physicians and other healthcare providers. The government has interpreted these laws broadly to apply to the marketing and sales activities of manufacturers and distributors as well as revenue cycle management companies like us.

The federal Anti-Kickback Statute prohibits, among other things, persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, in cash or in kind, in exchange for or to induce either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. In addition, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation.

The federal civil False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes “any request or demand” for money or property presented to the U.S. government. The civil False Claims Act also applies to false submissions that cause the government to be paid less than the amount to which it is entitled, such as a rebate. Intent to deceive is not required to establish liability under the civil False Claims Act. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Private suits filed under the civil False Claims Act, known as qui tam actions, can be brought by individuals on behalf of the government. These individuals may share in any amounts paid by the entity to the government in fines or settlement.

The federal Civil Monetary Penalties Law prohibits, among other things, the offering or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies.

Additionally, there has been a recent trend of increased federal and state regulation of payments and transfers of value provided to healthcare professionals or entities.

The federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, biologicals, and medical devices or supplies that require premarket approval by or notification to the FDA, and for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program, to report annually to CMS information related to (i) payments and other transfers of value to teaching hospitals, physicians (as defined by statute) and, beginning in 2022, physician assistants, nurse practitioners and other practitioners, and (ii) ownership and investment interests held by such providers and their immediate family members. Applicable manufacturers are required to submit annual reports to CMS.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them in order to have committed a violation.

Also, many U.S. states and countries outside the U.S. have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under government programs. In addition, in the U.S., certain states also mandate implementation of commercial compliance programs, impose

restrictions on device manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to healthcare professionals and entities.

FCPA and Other Anti-Bribery and Anti-Corruption Laws

The U.S. Foreign Corrupt Practices Act, or FCPA, prohibits U.S. corporations and their representatives from offering, promising, authorizing or making payments to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA would include interactions with certain healthcare professionals in many countries, either directly or through our contracted distributors. Our present and future business has been and will continue to be subject to various other U.S. and foreign laws, rules and/or regulations. The shifting commercial compliance environment and the need to build and maintain robust systems to comply with different compliance or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may fail to comply fully with one or more of these requirements. If our operations are found to be in violation of any of the health regulatory laws described above or any other laws that apply to us, we may be subject to penalties, including potentially significant criminal, civil and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, additional integrity oversight and reporting obligations, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Data Privacy and Security Laws

Under HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, which we collectively refer to as HIPAA, the Department of Health and Human Services, or HHS, has issued regulations, including the HIPAA Privacy, Security and Breach Notification Rules, to protect the privacy and security of protected health information, or PHI, used or disclosed by covered entities including health care providers and their business associates, as well as covered subcontractors. HIPAA also regulates standardization of data content, codes and formats used in health care transactions and standardization of identifiers for health plans and providers. Penalties for violations of HIPAA regulations include significant civil and criminal penalties for each violation. In addition to federal privacy and security regulations, there are a number of state laws governing confidentiality and security of personal information that are applicable to our business. For example, the California Consumer Privacy Act, or the CCPA, became effective on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly defined) and provide such consumers new ways to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Although the law includes limited exceptions, including for “protected health information” maintained by a covered entity or business associate, it may regulate or impact our processing of personal information depending on the context. CCPA’s implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and the CCPA may increase our compliance costs and potential liability. Further, the California Privacy Rights Act, or CPRA, effective January 1, 2023, and replacing the CCPA, will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. In addition to California, several U.S. states, including Colorado, Virginia, and Utah have adopted their own comprehensive data protection laws, with varying implementation dates starting January 1, 2023. The application of the laws and the requirements contained therein is not uniform. We may be required to undertake additional compliance investment and potentially change our business processes to evaluate the application of these laws to our business and to implement compliance measures. If we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition. Similar privacy laws have been proposed at the federal level and in other states.

In addition to these comprehensive data protection laws, to date, at least three states have adopted laws specifically regulating the collection, use, storage, and disclosure of biometrics, and additional states may seek to regulate—and/or restrict the use of—biometrics in the future. Certain of our products use, or permit the use of, information that could be classified as a biometric under these or other laws. If we are subject to or affected by these or other laws, we may be

required to modify the way in which we make available our product or certain features of our product. We also may be required to implement additional practices or processes or otherwise invest our resources to comply with these and other regulations.

In some of our operations, such as those involving our cloud-based software digital health applications, we are a business associate under HIPAA and therefore required to comply with the HIPAA Security Rule, Breach Notification Rule and certain provisions of the HIPAA Privacy Rule, as well as the terms of our business associate agreements that we enter into with our covered entity customers, and are subject to significant civil and criminal penalties for failure to do so.

In addition, the General Data Protection Regulation, or GDPR, went into effect in May 2018. The GDPR imposes stringent data protection requirements for the processing of personal data in the European Economic Area, or EEA. The GDPR has increased our obligations, for example, by requiring more robust disclosures to individuals, strengthening individual data rights, instituting procedures for mandatory and data breach notifications to regulators within a short timeframe, limiting retention periods and secondary use of information (including for research purposes), increasing requirements pertaining to health data and pseudonymized (i.e., key-coded) data and imposing additional obligations when we contract with third party processors in connection with the processing of the personal data. The GDPR also imposes strict rules on the transfer of personal data out of the EEA, including to the United States; recent legal developments in Europe have created complexity regarding such transfers of personal data from the EEA to the United States. For example, the European Commission and the United Kingdom have adopted new standard contractual clauses under which entities may transfer personal data from the European Union and the United Kingdom, which we may be required to implement. We must evaluate such data transfers on a case-by-case basis to ensure continued permissibility under current law and consistent with new standard contractual clauses. European data protection law provides that EEA member states may make their own further laws and regulations limiting the processing of genetic, biometric or health data, which could limit our ability to use and share personal data or could cause our costs to increase and harm our business and financial condition. EEA member states may modify or impose additional conditions to be able to transmit electronic marketing communications. Failure to comply with the requirements of GDPR and the applicable national data protection and marketing laws of the EEA member states may result in fines of up to €20.0 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties as well as individual claims for compensation.

Further, the United Kingdom has adopted the UK General Data Protection Regulation ("UK GDPR"), which also has the potential to impose significant data protection fines up to the greater of £17.5 million or 4% of global turnover.

Numerous other state, federal and foreign laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of patient health information and other personal information. In addition, Congress and some states are considering new laws and regulations that further protect the privacy and security of medical records or medical information. All 50 states have passed laws regulating the actions that a business must take if it experiences a data breach, such as prompt disclosure to affected customers. The Federal Trade Commission, or FTC, and states' Attorneys General have also brought enforcement actions and prosecuted some data breach cases as unfair and/or deceptive acts or practices under the FTC Act. In addition to data breach notification laws, some states have enacted statutes and rules requiring businesses to reasonably protect certain types of personal information they hold or to otherwise comply with certain specified data security requirements for personal information. These laws may apply directly to our business or indirectly by contract when we provide services to other companies. The FTC also has focused on the use of artificial intelligence (AI) and the potential bias in AI as one of its enforcement and policy priorities, including the use of AI in the healthcare space. Our services and products may use AI now or in the future. We intend to continue to comprehensively protect all personal information and to comply with all applicable laws regarding the protection of such information as well as to monitor developments regarding the use of AI that could be relevant to our products and services.

Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. If we fail to comply with any such laws or regulations, we may face significant fines and penalties that could adversely affect our business, financial condition and results of operations, damage our reputation and customers' trust.

Human Capital

At ResMed, our mission of transforming patient care in the out-of-hospital setting through innovative solutions and tech-driven integrated care is achieved by our commitment and efforts in fostering an inclusive environment that creates a strong sense of belonging, unlocking the potential, passion and creativity of our people. Our Code of Business Conduct & Ethics, Diversity and Inclusion programs and other practices and policies on workplace behavior, discrimination and harassment, health and safety, and employee benefits reinforce this environment and facilitate talent attraction, retention, and development.

As of June 30, 2022, we had approximately 8,160 employees or contingent workers, of which approximately 3,480 were employed in cost of sales activities including areas such as warehousing and manufacturing, 1,350 in research and development and 3,330 in sales, marketing and administration. Of our employees and contingent workers, approximately 3,020 (37%) were located in the United States, Canada and Latin America, 2,370 (29%) in Asia, 1,360 (17%) in Australia and 1,410 (17%) in Europe. We believe that the success of our business will depend, in part, on our ability to attract and retain qualified personnel. ResMed's global turnover rate for fiscal year 2022 was approximately 17%.

Diversity & Inclusion

Our values of belonging, inclusion and diversity for success ("BIDS") enable us to unlock the strengths of our people to transform healthcare and improve lives. We are in our second year of building out a strategic BIDS practice that strives to impact people, patients, and products. Our objectives include expanding Employee Resource Groups ("ERG"), creating and delivering learning & development opportunities in support of BIDS values, identifying new and different hiring practices & measurements, emphasizing accessibility & disability inclusion, promoting inclusive leadership behaviors & practices, and exploring new community partnerships for sourcing.

Employee Resource Groups. We continue to place a high value on inclusion-building initiatives that create opportunities around cultural awareness and social learnings; this is largely done through engaging employees in our ERG programs supported by employees who share a common interest in community building, professional development, improving corporate culture and delivering sustained business results. We maintain our ERG chapters worldwide and currently have twelve groups: Black, Asia-American-Pacific Islander, LGBTQIA+, Hispanic and Latin, Veterans, Women, Women in Sales, Women in SaaS, Parents, Differently Able, and Mosaics in Ireland and France that collectively focus on local and culturally appropriate inclusion-building needs.

Learning & Development of D&I Values. Our leaders across the organization work directly with the Director of Diversity to identify and provide awareness trainings for their teams. In 2022, we launched a day of learning in each region for employees to learn more about diversity and inclusion with the theme of Unconscious Bias. Additionally, we launched a BIDS Certificate program, and the Director of Diversity also delivered multiple trainings globally.

Strategic Inclusive Development. A Global Council of Ambassadors meets every two months to review and assess developments, observations, and impressions related to ongoing diversity and inclusion efforts. In 2022, we updated our internal policies and Employee Handbook to formalize certain inclusivity initiatives. Additionally, we assessed the language within the source code of our products and platforms to ensure that it is inclusive and does not perpetuate racist stereotypes.

Leadership Engagement. C-Suite Executives, alongside the COO and CEO, receive quarterly updates on diversity data and inclusion-building efforts. Additionally, the CEO and senior leaders across the organization have diversity and inclusion objectives embedded in their annual and quarterly goals. Each ERG is supported by an Executive Sponsor.

Sourcing & Recruiting. We train our recruiting workforce on the value of hiring diverse teams and diversity sourcing strategies, and we partner with external organizations that develop and supply diverse talent. In addition, we are building a diversity dashboard to better understand our metrics around applicants, candidates, and the current workforce. In 2022, we launched campaigns focused on collecting internal data and gathering diverse prospective candidates.

Talent Development & Retention

Building and strengthening our talent pipeline is imperative to our success. Our approach to talent and performance is designed to ensure employees and managers have regular feedback conversations about performance goals and development, to enable our high-performance culture, and to create an environment where we achieve our strategy.

At ResMed, we have specific career and development pathways designed for specific roles in consultation with operational management, human resources, and learning and development specialists. We provide online courses that are role-specific, with formal tracking of employee completion and performance. Online and face-to-face courses on operational compliance issues are developed and delivered in-house. Online compliance courses on ResMed's Code of Business Conduct and Ethics, diversity and inclusion, US Foreign Corrupt Practices Act, and health & safety are developed by our Learning and Development team with external subject-matter advisers.

Compensation & Benefits

Our compensation philosophy is to reinforce and align with our mission, business strategy, and financial needs as we grow. We provide market-competitive compensation and benefits based on benchmarking surveys we conduct regularly for all position levels against relevant peer companies. Our annual and long-term incentive packages are linked directly to business and individual performance, with a balance of short- and long-term financial and strategic objectives. We have an employee stock purchase plan, in addition to formal service awards internally. Eligibility for non-salary benefits such as salary continuance, life insurance, health insurance, and similar benefits, follows local regulations and practices. Equal opportunity and pay equity are integral to our pay philosophy, and we have processes in place to identify and address any potential pay equity issues where appropriate.

Employee Safety & COVID-19 Related Measures

We believe maintaining a physically safe and mentally healthy working environment is essential in supporting our people to deliver their best work. We employ global standards to provide the framework for our locally compliant, integrated and effective health and safety management systems which enable the capability, autonomy & accountability of the leaders to manage local sites. Our approach is to place health & safety as a positive contributor to innovation, continuous improvement and business sustainability through focusing on making work easier, which in turn makes work safer and more efficient.

As the COVID-19 pandemic spread, we implemented and maintained significant changes that we determined were in the best interest of our employees. These included work from home flexibility, adjusted attendance policies and additional safety measures for our on-site workforce. We have since re-opened our offices, consistent with local public health guidance and protocols, and continue to support flexible working globally.

Employee Engagement & Wellbeing

We regularly seek employee feedback and sentiment about our workplace through global engagement surveys that enable our people to comment on matters related to their employment experience. We openly share the survey results throughout the company and encourage teams to put in place action plans at global and local levels to address priority issues. Where benchmarks are available, our results are evaluated against comparable peer groups.

We are committed to improving the quality of life of our employees and their families. Our health and wellbeing programs differ by country and may include company-sponsored health insurance, retirement savings plans, sleep apnea screening and treatment, smoking cessation, gym membership discounts, seasonal flu vaccinations, mental health assistance, and many other programs to drive healthy behaviors and awareness. Additionally, we have implemented a company-wide ResMed Day for our people to focus on their mental, social and physical health.

ITEM 1A RISK FACTORS

Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks described below in addition to the other cautionary statements and risks described elsewhere, and the other information contained, in this Report and in our other filings with the SEC, including our subsequent reports on Forms 10-Q and 8-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs with material adverse effects on us, our business, financial condition and results of operations could be seriously harmed. In that event, the market price for our common stock will likely decline, and you may lose all or part of your investment.

Summary of Risk Factors

The following is a summary of the risks that are more fully described in the following section below:

Risks Related to Our Business and Industry

- Our inability to compete successfully in our markets may harm our business.
- Consolidation in the health care industry could have an adverse effect on our revenues and results of operations.
- Our business, financial condition and results of operations could continue to be harmed by the effects of the COVID-19 pandemic or similar public health crises.
- We are subject to various risks relating to international activities that could affect our overall profitability.
- Our products are the subject of clinical trials conducted by us, our competitors, or other third parties, the results of which may be unfavorable, or perceived as unfavorable, and could have a material adverse effect on our business, financial condition, and results of operations.
- We are subject to potential product liability claims that may exceed the scope and amount of our insurance coverage, which would expose us to liability for uninsured claims.
- Our intellectual property may not protect our products, and/or our products may infringe on the intellectual property rights of third parties.
- If we fail to attract, develop and retain key employees our business may suffer.
- Our leverage and debt service obligations could adversely affect our business.

Risks Related to Manufacturing, IT Systems, Commercial Operations and Plans for Future Growth

- Disruptions in the supply of components from our suppliers could result in a significant reduction in sales and profitability.
- We are increasingly dependent on information technology systems and infrastructure.
- Actual or attempted breaches of security, unauthorized disclosure of information, denial of service attacks or the perception that personal and/or other sensitive or confidential information in our possession is not secure, could result in a material loss of business, substantial legal liability or significant harm to our reputation.
- We may not be able to realize the anticipated benefits from acquisitions, which could adversely affect our operating results.
- Our business depends on our ability to market effectively to dealers of home healthcare products and sleep clinics.
- Our SaaS business depends substantially on customers entering into, renewing, upgrading and expanding their agreements for cloud services, term licenses, and maintenance and support agreements with us. Any decline in our customer renewals, upgrades or expansions could adversely affect our future operating results.
- If our SaaS products fail to perform properly or if we fail to develop enhancements, we could lose customers, become subject to service performance or warranty claims and our market share could decline.

- If there are interruptions or performance problems associated with our technology or infrastructure, our existing SaaS customers may experience service outages, and our new customers may experience delays in the deployment of our platforms.
- If we are unable to support our continued growth, our business could suffer.
- Climate change and related natural disasters, or other events beyond our control, could negatively impact our business operations and financial condition.

Risks Related to Non-Compliance with Laws, Regulations and Healthcare Industry Shifts

- Healthcare reform may have a material adverse effect on our industry and our results of operations.
- Government and private insurance plans may not adequately reimburse our customers for our products, which could result in reductions in sales or selling prices for our products.
- Failure to comply with anti-kickback and fraud regulations could result in substantial penalties and changes in our business operations.
- Our use and disclosure of personal information, including health information, is subject to federal, state and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm.
- Our business activities are subject to extensive regulation, and any failure to comply could have a material adverse effect on our business, financial condition, or results of operations.
- Product sales, introductions or modifications may be delayed or canceled as a result of FDA regulations or similar foreign regulations, which could cause our sales and profits to decline.
- We are subject to substantial regulation related to quality standards applicable to our manufacturing and quality processes. Our failure to comply with these standards could have an adverse effect on our business, financial condition, or results of operations.
- Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business.
- Off-label marketing of our products could result in substantial penalties.
- Laws regulating consumer contacts could adversely affect our business operations or create liabilities.
- Tax laws, regulations, and enforcement practices are evolving and may have a material adverse effect on our results of operations, cash flows and financial position.
- We are subject to tax audits by various tax authorities in many jurisdictions.

Risks Related to the Securities Markets and Ownership of Our Common Stock

- Our results of operations may be materially affected by global economic conditions generally, including conditions in the financial markets.
- Our quarterly operating results are subject to fluctuation for a variety of reasons.
- Delaware law and provisions in our charter could make it difficult for another company to acquire us.

Risk Factors

Risks Related to Our Business and Industry

Our inability to compete successfully in our markets may harm our business. The markets for our products, which encompass Sleep and Respiratory Care products and SaaS offerings, are highly competitive and are characterized by frequent product improvements and evolving technology. Our ability to compete successfully depends, in part, on our ability to develop, manufacture and market innovative new products. For our Sleep and Respiratory Care business, the development of innovative new products by our competitors or the discovery of alternative treatments or potential cures for the conditions that our products treat could make our products noncompetitive or obsolete. Current competitors, new entrants, academics, and others are trying to develop new devices, alternative treatments or cures, and pharmaceutical solutions to the conditions our products treat. For SaaS, the market for business management software is highly competitive, rapidly evolving, subject to changing technology, with low barriers to entry, shifting customer needs and frequent introductions of new products and services. Many prospective customers have invested substantial personnel and financial resources to implement and integrate their current business management software into their operations and, therefore, may be reluctant or unwilling to change from their current solution or provider to one of our platforms or products.

Additionally, some of our competitors have greater financial, research and development, manufacturing and marketing resources than we do. The past several years have seen a trend towards consolidation in the healthcare industry and in the markets for our products. Industry consolidation could result in greater competition if our competitors combine their resources, if our competitors are acquired by other companies with greater resources than ours, or if our competitors become affiliated with customers of ours. This competition could increase pressure on us to reduce the selling prices of our products or could cause us to increase our spending on research and development and sales and marketing. If we are unable to develop innovative new products, maintain competitive pricing, and offer products that consumers perceive to be as good as those of our competitors, our sales and gross margins could decrease which would harm our business.

Consolidation in the health care industry could have an adverse effect on our revenues and results of operations. Many home health care dealers and out-of-hospital health providers are consolidating, which may result in greater concentration of purchasing power. As the health care industry consolidates, competition to provide goods and services to industry participants may become more intense. These industry participants may try to use their market power to negotiate price concessions or reductions for medical devices and components produced by us. If we are forced to reduce our prices because of consolidation in the health care industry, our revenues may decrease and our consolidated earnings, financial condition, and/or cash flows may suffer.

Our business, financial condition and results of operations could continue to be harmed by the effects of the COVID-19 pandemic or similar public health crises. We are subject to risks associated with public health threats, including the global COVID-19 pandemic, which have had and may continue to have an adverse impact on certain aspects of our business. The extent to which the COVID-19 pandemic and measures taken in response thereto impact our business, results of operations, and financial condition will depend on future developments which are highly uncertain and are difficult to predict. These developments include, but are not limited to, future resurgences of the virus and its variants, actions taken to contain the virus or address its impact, and the timing, distribution, and efficacy of vaccines and other treatments.

Although there is still substantial uncertainty associated with the COVID-19 pandemic, we believe the global demand for ventilators and other respiratory support devices used to treat COVID-19 patients has largely been met. In most markets, diagnostic pathways for sleep apnea treatment, including physician practices, HME distributors, and sleep clinics have largely recovered towards pre-pandemic levels. Likewise, within our SaaS business we have observed stabilizing patient flow in out-of-hospital care settings impacted by COVID-19.

The COVID-19 pandemic has continued to impact the global supply chain, primarily through constraints on raw materials and electronic components. These constraints on raw materials and electronic components are also impacting companies outside of our direct industry, which is resulting in a competitive supply environment causing higher costs, requiring us to commit to minimum purchase obligations as well as make upfront payments to our suppliers. Further, we are being allocated certain components from our suppliers, particularly semiconductor chips, and we are thus being forced to allocate our outbound products to our customers. These disruptions have impacted and may continue to impact our ability to

produce and supply products in quantities necessary to satisfy customer demand, which could negatively impact our results of operations. Additionally, we have observed a reduction in both inbound and outbound transportation capacity as a result of port closures and delays associated with the pandemic, which is causing longer lead times in receiving raw materials into and distributing finished goods out of our manufacturing facilities, as well as increased freight costs. These highly competitive and constrained supply chain conditions are increasing our cost of sales, which has and may continue to adversely impact our profitability. Given the ongoing uncertainty regarding the duration and extent of the COVID-19 pandemic, we are uncertain as to the duration and extent of constraint on our supply chain.

While we expect COVID-19 may continue to negatively impact certain aspects of our business, given the rapid and evolving nature of the virus and the uncertainty about its impact on society and the global economy, we cannot predict the extent to which it will affect our global operations. Furthermore, future public health crises are possible and could involve some or all of the risks discussed above.

We are subject to various risks relating to international activities that could affect our overall profitability. We manufacture substantially all of our products outside the United States and sell a significant portion of our products in non-U.S. markets. Sales in combined Europe, Asia and other markets accounted for approximately 37% and 39% of our net revenues in the years ended June 30, 2022 and June 30, 2021 respectively. Our sales and operations outside of the U.S. are subject to several difficulties and risks that are separate and distinct from those we face in the U.S., including:

- fluctuations in currency exchange rates;
- economic conditions such as inflation or recession;
- tariffs and other trade barriers;
- compliance with foreign medical device manufacturing regulations;
- difficulty in enforcing agreements and collecting receivables through foreign legal systems;
- reduction in third-party payor reimbursement for our products;
- inability to obtain import licenses;
- the impact of public health epidemics/pandemics on the global economy, such as COVID-19 that has spread globally;
- the impact of global geopolitical tensions and/or conflicts;
- changes in trade policies and in U.S. and foreign tax policies;
- possible changes in export or import restrictions;
- the modification or introduction of other governmental policies with potentially adverse effects; and
- limitations on our ability under local laws to protect our intellectual property.

In December 2021, the United States adopted the Uyghur Forced Labor Prevention Act (“UFLPA”) which creates a rebuttable presumption that any goods, wares, articles, and merchandise mined, produced, or manufactured in whole or in part in the Xinjiang Uyghur Administrative Region of China or that are produced by certain entities are prohibited from importation into the United States and are not entitled to entry. These import restrictions came into effect in June 2022. Additionally, the military conflict between Russia and Ukraine has resulted in the implementation of sanctions by the U.S. and other governments against Russia and has caused significant volatility and disruptions to the global markets. While we are not presently aware of any direct impacts these restrictions have had on our suppliers’ supply chains, disruptions resulting from the conflict in Ukraine and the UFLPA may materially and negatively impact our suppliers’ ability to obtain a sufficient supply of raw materials necessary to meet the quantity and/or timing of our product demands. Further, it is not possible to predict the short- and long-term implications of this conflict, which could include but are not limited to further sanctions, uncertainty about economic and political stability, increases in inflation rate and energy prices, cyber-attacks, supply chain challenges and adverse effects on currency exchange rates and financial markets. We are continuing to monitor the situation in China, Ukraine, and globally as well as assess its potential impact on our business. Although our sales into Russia and Ukraine did not constitute a material portion of our total revenue in 2022, further escalation of geopolitical tensions, or new geopolitical tensions, could have a broader impact that expands into other markets where we

do business, which could adversely affect our business and/or our supply chain, business partners or customers in the broader region.

Any of the above factors may have a material adverse effect on our ability to increase or maintain our non-U.S. sales.

Our products are the subject of clinical trials conducted by us, our competitors, or other third parties, the results of which may be unfavorable, or perceived as unfavorable, and could have a material adverse effect on our business, financial condition, and results of operations. As a part of the regulatory process to obtain marketing clearance for new products and new indications for existing products, or for other reasons, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations, and trial endpoints. We, our competitors, or other third parties may also conduct clinical trials involving our commercially marketed products. The results of clinical trials may be unfavorable or inconsistent with previous findings, or could identify safety signals associated with our products. Current or future clinical trials may not meet primary endpoints, may reveal disadvantages of our products and solutions for various markets we address, or could generate unfavorable or inconsistent clinical data. Clinical data, or the market's or regulatory bodies' perception of the clinical data, may adversely impact our ability to obtain product clearances or approvals, and our position in, and share of, the markets in which we participate. Moreover, if these clinical trials identify serious safety issues associated with our marketed products, potentially adverse consequences could result, including that regulatory authorities could withdraw clearances or approvals of our products, we could be required to halt the marketing and sales of our products or recall our products, we could be required to update our product labeling with additional warnings, we could be sued and held liable for harm caused to patients, and our reputation may suffer. Any of these could have a material adverse impact on our business, financial condition, and results of operations.

We are subject to potential product liability claims that may exceed the scope and amount of our insurance coverage, which would expose us to liability for uninsured claims. We are subject to potential product liability claims as a result of the design, manufacture and marketing of medical devices. Any product liability claim brought against us, with or without merit, could result in the increase of our product liability insurance rates. In addition, we would have to pay any amount awarded by a court in excess of our policy limits. Our insurance policies have various exclusions, and thus we may be subject to a product liability claim for which we have no insurance coverage, in which case, we may have to pay the entire amount of any award. We cannot assure you that our insurance coverage will be adequate or that all claims brought against us will be covered by our insurance and we cannot assure you that we will be able to obtain insurance in the future on terms acceptable to us or at all. A successful product liability claim brought against us in excess of our insurance coverage, if any, may require us to pay substantial amounts, which could harm our business. We may also be affected by the product recalls and other risks associated with the products of our competitors if customers and patients are uncertain if issues affecting our competitors may also affect us.

Our intellectual property may not protect our products, and/or our products may infringe on the intellectual property rights of third parties. We rely on a combination of patents, trade secrets and non-disclosure agreements to protect our intellectual property. Our success depends, in part, on our ability to obtain and maintain U.S. and foreign patent protection for our products, their uses and our processes to preserve our trade secrets and to operate without infringing on the proprietary rights of third-parties. We have a number of pending patent applications, and we do not know whether any patents will issue from any of these applications. We do not know whether any of the claims in our issued patents or pending applications will provide us with any significant protection against competitive products or otherwise be commercially valuable. Legal standards regarding the validity of patents and the proper scope of their claims are still evolving, and there is no consistent law or policy regarding the valid breadth of claims. Additionally, there may be third-party patents, patent applications and other intellectual property relevant to our products and technology which are not known to us and that block or compete with our products. We face the risks that:

- third-parties will infringe our intellectual property rights;
- our non-disclosure agreements will be breached;
- we will not have adequate remedies for infringement;
- our trade secrets will become known to or independently developed by our competitors;
- third-parties will be issued patents that may prevent the sale of our products or require us to license and pay fees or royalties in order for us to be able to market some of our products; or

- third-parties may assert patents and other intellectual property rights against our suppliers, causing interruption in supply of components or other essential inputs.

Litigation may be necessary to enforce patents issued to us, to protect our proprietary rights, or to defend third-party claims that we have infringed on proprietary rights of others. If the outcome of any litigation or proceeding brought against us were adverse, we could be subject to significant liabilities to third-parties, could be required to obtain licenses from third-parties, could be forced to design around the patents at issue or could be required to cease sales of the affected products. A license may not be available at all or on commercially viable terms, and we may not be able to redesign our products to avoid infringement. Additionally, the laws regarding the enforceability of patents vary from country to country, and we cannot assure you that any patent issues we face will be uniformly resolved, or that local laws will provide us with consistent rights and benefits.

If we fail to attract, develop and retain key employees our business may suffer. Our ability to compete effectively depends on our ability to attract and retain key employees, including people in senior management, sales, marketing, technology, and research and development positions. Competition for top talent in the healthcare, technology and SaaS industries can be intense. Our ability to recruit and retain such talent will depend on a number of factors, including hiring practices of our competitors, compensation and benefits, work location, work environment and industry economic conditions. If we cannot effectively recruit, develop and retain qualified employees to drive our strategic goals, our business could suffer.

Our leverage and debt service obligations could adversely affect our business. As of June 30, 2022, our total consolidated debt was $0.8 billion and we may incur additional indebtedness in the future, including as a result of our pending acquisition of MEDIFOX DAN, which is expected to close during our fiscal year 2023. Our indebtedness could have adverse consequences, including:

- making it more difficult to satisfy our financial obligations;
- increasing our vulnerability to adverse economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limiting our ability to borrow additional funds for working capital, capital expenditure, acquisitions and general corporate or other purposes; and
- exposing us to greater interest rate risk.

Our debt service obligations will require us to use a portion of our operating cash flow to pay interest and principal in indebtedness, which could impede our growth. Our ability to make payments on, and to refinance, our indebtedness, and to fund capital expenditures will depend on our ability to generate cash in the future. This is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond our control.

Risks Related to Manufacturing, IT Systems, Commercial Operations and Plans for Future Growth

Disruptions in the supply of components from our suppliers could result in a significant reduction in sales and profitability. We purchase configured components for our devices from various suppliers, including some who are single-source suppliers for us. Disruptions to our suppliers, including disruptions in connection with COVID-19 and its variants, may limit our ability to manufacture our devices in a timely or cost-effective manner, which could result in a significant reduction in sales and profitability. We cannot assure you that a replacement supplier would be able to configure its components for our devices on a timely basis or, in the alternative, that we would be able to reconfigure our devices to integrate the replacement part. A reduction, delay or halt in supply while a replacement supplier reconfigures its components, or while we reconfigure our devices for the replacement part, would limit our ability to manufacture our devices in a timely or cost-effective manner, which could result in a significant reduction in sales and profitability. We cannot assure you that our inventories would be adequate to meet our production needs during any prolonged interruption of supply.

In particular, a global semiconductor supply shortage is having wide-ranging effects across multiple industries, and it has impacted suppliers that incorporate semiconductors into the parts they supply to us. High demand and shortages of supply have adversely affected and could materially adversely affect our ability to obtain sufficient quantities of semiconductors

and electronic components on commercially reasonable terms or at all. While we have entered into agreements for the supply of many components, there can be no assurance we will be able to extend or renew these agreements on similar terms or that suppliers will fulfill their commitments under existing agreements. Furthermore, in order to secure such necessary components, we may be obligated to purchase them at prices that are higher than those available in the current market and/or may incur significant price increases from these suppliers in the future. In addition, we may be required to commit to greater purchase volumes and/or make prepayments to our suppliers. Extended lead times and decreased availability of key components may also cause an adverse effect on our financial condition or results of operations. Delays in our ability to produce and deliver our devices could cause our customers to purchase alternative products from our competitors.

In response to the global semiconductor supply shortage, we have recently expanded our global offering of devices to include Card-to-Cloud (C2C) versions of our prior model AirSense 10 and AirCurve 10 offerings that do not incorporate a communications module. We introduced C2C models to address the growing backlog of patients waiting for therapy with ResMed devices. Because C2C devices do not include communications capability they involve a more manual workflow for our customers, and may face resistance in the market as the backlog of patients waiting for treatment is reduced. The C2C offering, while appropriate in the short term, also may not be consistent with our long term strategy of connecting all devices with AirView.

Additionally, increases in product demand, including in response to a product recall by one of our competitors, Philips, have resulted and could continue to result in shipment delays, higher costs for materials and components, and increased expenditures for freight and other expenses, which have and could continue to negatively impact our profit margins. If supply constraints continue, our ability to meet demand and our corresponding ability to sell affected products may be materially reduced. We have and may continue to be required to allocate or prioritize orders for our devices, and our failure to timely deliver desirable products to meet demand may harm relationships with our customers.

We are increasingly dependent on information technology systems and infrastructure. Our technology systems are potentially vulnerable to breakdown or other interruption by fire, power loss, system malfunction, unauthorized access and other events. Likewise, data privacy breaches by employees and others with both permitted and unauthorized access to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public, or may be permanently lost. While we have invested heavily in the protection of data and information technology and in related training, there can be no assurance that our efforts will prevent significant breakdowns, breaches in our systems or other cyber incidents that could have a material adverse effect upon the reputation, business, operations or financial condition of the company. In addition, significant implementation issues may arise as we continue to consolidate and outsource certain computer operations and application support activities.

Actual or attempted breaches of security, unauthorized disclosure of information, denial of service attacks or the perception that personal and/or other sensitive or confidential information in our possession is not secure, could result in a material loss of business, substantial legal liability or significant harm to our reputation. Despite the implementation of security measures, our internal computer and information technology systems and those of our vendors and customers are vulnerable to attack and damage from computer viruses, malware, denial of service attacks, unauthorized access, or other harm, including from threat actors seeking to cause disruption to our business. We face risks related to the protection of information that we maintain—or engage a third-party to maintain on our behalf—including unauthorized access, acquisition, use, disclosure, or modification of such information. Cyberattacks are increasing in their frequency, sophistication and intensity and have become increasingly difficult to detect. Cyberattacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. A material cyberattack or security incident could cause interruptions in our operations and could result in a material disruption of our business operations, damage to our reputation, financial condition, results of operations, cash flows and prospects.

We receive, collect, process, use and store a large amount of information from our clients, our patients and our own employees, including personal information, protected health and other sensitive and confidential information. This data is often accessed by us through transmissions over public and private networks, including the Internet. The secure transmission of such information over the Internet and other mechanisms is essential to maintain confidence in our information technology systems. We have implemented security measures, technical controls and contractual precautions designed to identify, detect and prevent unauthorized access, alteration, use or disclosure of our clients', patients' and employees' data. However, the techniques used in these attacks change frequently and may be difficult to detect for periods

of time and we may face difficulties in anticipating and implementing adequate preventative measures. We may face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Beyond external criminal activity, systems that access or control access to our services and databases may be compromised as a result of human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Because the techniques used to circumvent security systems can be highly sophisticated and change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address all possible techniques or implement adequate preventive measures for all situations.

If someone is able to circumvent or breach our security systems, they could steal any information located therein or cause serious and potentially long lasting disruption to our operations. Security breaches or attempts thereof could also damage our reputation and expose us to a risk of monetary loss and/or litigation, fines and sanctions. We also face risks associated with security breaches affecting third parties that conduct business with us or our clients and others who interact with our data. While we maintain insurance that covers certain security incidents, we may not carry appropriate insurance or maintain sufficient coverage to compensate for all potential liability.

We are subject to diverse laws and regulations relating to data privacy and security, including HIPAA and European data privacy laws. Complying with these numerous and complex regulations is expensive and difficult, and failure to comply with these regulations could result in regulatory scrutiny, fines, civil liability or damage to our reputation. In addition, any security breach or attempt thereof could result in liability for stolen assets or information, additional costs associated with repairing any system damage, incentives offered to clients or other business partners to maintain business relationships after a breach, and implementation of measures to prevent future breaches, including organizational changes, deployment of additional personnel and protection technologies, employee training and engagement of third-party experts and consultants. Additionally, the costs incurred to remediate any data security or privacy incident could be substantial.

We cannot assure you that any of our third-party service providers with access to our, or our clients, patients and/or employees' personally identifiable and other sensitive or confidential information will maintain appropriate policies and practices regarding data privacy and security in compliance with all applicable laws or that they will not experience data security breaches or attempts thereof, which could have a corresponding effect on our business.

We may not be able to realize the anticipated benefits from acquisitions, which could adversely affect our operating results. Part of our growth strategy includes acquiring businesses consistent with our commitment to innovation in developing products for the diagnosis and treatment of sleep apnea and respiratory care as well as our SaaS business. For example, we acquired MatrixCare in November 2018, Propeller Health in January 2019, and in June 2022 we signed a definitive agreement to acquire MEDIFOX DAN which is expected to close during our fiscal year 2023. The MEDIFOX DAN acquisition remains subject to regulatory clearances and other customary closing conditions and should the acquisition fail to close, we will not realize the benefits that we expect to receive from the acquisition. Moreover, the success of our acquisitions will depend, in part, on our ability to successfully integrate the business and operations of the acquired companies. Additionally, our management may have their attention diverted while trying to integrate these businesses. If we are not able to successfully integrate the operations, we may not realize the anticipated benefits of the acquisitions fully or at all, or may take longer to realize than expected. Acquisitions involve numerous risks and could create unforeseen operating difficulties and expenditures. There can be no assurance that any of the acquisitions we make will be successful or will be, or will remain, profitable.

Moreover, we have recorded intangible assets, including goodwill, in connection with our acquisitions. At least on an annual basis, we must evaluate whether facts and circumstances indicate any impairment of the intangible assets' values. The qualitative and quantitative analysis used to test goodwill is dependent upon various considerations and assumptions, including macroeconomic conditions, industry and market characteristics, projections of acquired companies' future revenue, discount rates, and expectations of future cash flows. While we have made such assumptions in good faith and believe them to be reasonable, the assumptions may turn out to be materially inaccurate, including for reasons beyond our control. Changes in such assumptions may cause a change in circumstances indicating that the carrying value of intangible assets may be impaired. Consequently, we may be required to record a significant charge to earnings in the financial statements during the period in which any impairment of intangible assets is determined.

Our business depends on our ability to market effectively to dealers of home healthcare products and sleep clinics We market our products primarily to home healthcare dealers and to sleep clinics that diagnose OSA and other sleep

disorders, as well as to non-sleep specialist physician practices that diagnose and treat sleep disorders. We believe that these groups play a significant role in determining which brand of product a patient will use. The success of our business depends on our ability to market effectively to these groups to ensure that our products are properly marketed and sold by these third-parties.

We have limited resources to market to the sleep clinics, home healthcare dealer branch locations and to the non-sleep specialists, most of whom use, sell or recommend several brands of products. In addition, home healthcare dealers have experienced price pressures as government and third-party reimbursement has declined for home healthcare products, and home healthcare dealers are requiring price discounts and longer periods of time to pay for products purchased from us. We cannot assure you that physicians will continue to prescribe our products, or that home healthcare dealers or patients will not substitute competing products when a prescription specifying our products has been written.

We have expanded our marketing activities in some markets to target the population with a predisposition to sleep-disordered breathing as well as primary care physicians and various medical specialists. We cannot assure you that these marketing efforts will be successful in increasing awareness or sales of our products.

Our SaaS business depends substantially on customers entering into, renewing, upgrading and expanding their agreements for cloud services, term licenses, and maintenance and support agreements with us. Any decline in our customer renewals, upgrades or expansions could adversely affect our future operating results. We typically enter into term-based agreements for our licensed on-premises offerings, cloud services, and maintenance and support services, which customers have discretion to renew or terminate at the end of the initial term. In order for us to improve our operating results, it is important that new customers enter into renewable agreements, and our existing customers renew, upgrade and expand their term-based agreements when the initial contract term expires. Our customers have no obligation to renew, upgrade or expand their agreements with us after the terms have expired. Our customers' renewal, upgrade and expansion rates may decline or fluctuate as a result of a number of factors, including their satisfaction or dissatisfaction with our offerings, our pricing, the effects of general economic conditions, competitive offerings or alterations or reductions in our customers' spending levels. If our customers do not renew, upgrade or expand their agreements with us or renew on terms less favorable to us, our revenues may decline.

If our SaaS products fail to perform properly or if we fail to develop enhancements, we could lose customers, become subject to service performance or warranty claims and our market share could decline. Our SaaS operations are dependent upon our ability to prevent system interruptions and, as we continue to grow, we will need to devote additional resources to improving our infrastructure in order to maintain the performance of our products and solutions. The applications underlying our SaaS products are inherently complex and may contain material defects or errors, which may cause disruptions in availability or other performance problems. We have from time to time found defects in our products and may discover additional defects in the future that could result in data unavailability, unauthorized access to, loss, corruption or other harm to our customers' data. While we implement bug fixes and upgrades as part of our regularly scheduled system maintenance, we may not be able to detect and correct defects or errors before implementing our products and solutions. Consequently, we or our customers may discover defects or errors after our products and solutions have been deployed. If we fail to perform timely maintenance, or if customers are otherwise dissatisfied with the frequency and/or duration of our maintenance services and related system outages, our existing customers could elect not to renew their contracts, delay or withhold payment, or potential customers may not adopt our products and solutions and our brand and reputation could be harmed. In addition, the occurrence of any material defects, errors, disruptions in service or other performance problems with our software could result in warranty or other legal claims against us and diversion of our resources. The costs incurred in addressing and correcting any material defects or errors in our software and expanding our infrastructure and architecture in order to accommodate increased demand for our products and solutions may be substantial and could adversely affect our operating results. Further, if we fail to innovate or adequately invest in new technologies, we could lose our competitive position in the markets that we serve. To the extent that we fail to introduce new and innovative products, or such products are not accepted in the market or suffer significant delays in development, our financial results may suffer. An inability, for technological or other reasons, to successfully develop and introduce new products on a timely basis could reduce our growth rate or otherwise have an adverse effect on our business.

If there are interruptions or performance problems associated with our technology or infrastructure, our existing SaaS customers may experience service outages, and our new customers may experience delays in the deployment of our platforms. We depend on services from various third parties as well as our own technical operations infrastructure to distribute our SaaS products via the Internet. If a service provider fails to provide sufficient capacity to support our

platform or otherwise experiences service outages, such failure could interrupt our customers' access to our service, which could adversely affect their perception of our platform's reliability and our revenues. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our SaaS products. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our SaaS products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure.

To meet our business needs, we must maintain sufficient excess capacity in our operations infrastructure to ensure that our SaaS products are accessible. Design and mechanical errors, spikes in usage volume and failure to follow system protocols and procedures could cause our systems to fail, resulting in interruptions in our SaaS products. Any interruptions or delays in our service, whether or not caused by our products, or as a result of third-party error, our own error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with customers and cause our revenue to decrease and/or our expenses to increase.

Any of the above circumstances or events may harm our reputation, cause customers to terminate their agreements with us, impair our ability to obtain contract renewals from existing customers, impair our ability to grow our customer base, result in the expenditure of significant financial, technical and engineering resources, subject us to financial penalties and liabilities under our service level agreements, and otherwise harm our business, results of operations and financial condition.

If we are unable to support our continued growth, our business could suffer. As we continue to grow, the complexity of our operations increases, placing greater demands on our management. Our ability to manage our growth effectively depends on our ability to implement and improve our financial and management information systems on a timely basis and to effect other changes in our business including the ability to monitor and improve manufacturing systems, information technology, and quality and regulatory compliance systems, among others. Unexpected difficulties during expansion, the failure to attract and retain qualified employees, the failure to successfully replace or upgrade our management information systems, the failure to manage costs or our inability to respond effectively to growth or plan for future expansion could cause our growth to stop. If we fail to manage our growth effectively and efficiently, our costs could increase faster than our revenues and our business results could suffer.

Climate change and related natural disasters, or other events beyond our control, could negatively impact our business operations and financial condition. Natural disasters and other business disruptions could adversely affect our business and financial condition, and global climate change could result in certain types of natural disasters occurring more frequently or with more intense effects. The impacts of climate change may include physical risks (such as frequency and severity of extreme weather conditions), social and human effects (such as population dislocations or harm to health and well-being), compliance costs and transition risks, shifts in market trends and other adverse effects. Such impacts may disrupt parties in our supply chain, our customers, and our operations. For example, if a natural disaster strikes our manufacturing facilities, we will be unable to manufacture our products for a substantial amount of time and our sales and profitability will decline. Our facilities and the manufacturing equipment we use to produce our products would be costly to replace and could require substantial lead-time to repair or replace. In the event our facilities were affected by natural or man-made disasters, we could be forced to rely on third-party manufacturers. Although we believe we possess adequate insurance for the disruption of our business from causalities, such insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all.

In addition, the increasing concern over climate change has resulted and may continue to result in more legal and regulatory requirements designed to mitigate the effects of climate change on the environment, including regulating greenhouse gas emissions, alternative energy policies and sustainability initiatives. If such laws or regulations are more stringent than current legal or regulatory requirements, we may experience increased compliance burdens and costs to meet the regulatory obligations. Further, there may be increasing scrutiny and changing expectations from the market and other stakeholders with respect to Environmental, Social and Governance (ESG) practices. Any such regulatory changes or increased market expectations could also have a significant effect on our operating and financial decisions, including those involving capital expenditures to reduce emissions and comply with other regulatory requirements or stakeholder expectations.

Risks Related to Non-Compliance with Laws, Regulations and Healthcare Industry Shifts

Healthcare reform may have a material adverse effect on our industry and our results of operations. In March 2010, the ACA was signed into law in the United States. The ACA made changes that significantly impacted the healthcare industry, including medical device manufacturers. One of the principal purposes of the ACA was to expand health insurance coverage to millions of Americans who were uninsured. The ACA required adults not covered by an employer or government-sponsored insurance plan to maintain health insurance coverage or pay a penalty, a provision commonly referred to as the individual mandate.

The ACA also contained a number of provisions designed to generate the revenues necessary to fund the coverage expansions. This included new fees or taxes on certain health-related industries, including medical device manufacturers. Beginning in 2013, entities that manufacture, produce or import medical devices were required to pay an excise tax in an amount equal to 2.3% of the price for which such devices are sold in the United States. This excise tax was applicable to our products that are primarily used in hospitals and sleep labs, which includes the ApneaLink, VPAP Tx and certain Respiratory Care products. Through a series of legislative amendments, the tax was suspended beginning in 2016, and permanently repealed effective January 1, 2020. In addition to the competitive bidding changes discussed above, the ACA also included, among other things, directions to develop organizations that are paid under a new payment methodology for voluntary coordination of care by groups of providers, such as physicians and hospitals, and the establishment of a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research. The increased funding and focus on comparative clinical effectiveness research, which compares and evaluates the risks and benefits, clinical outcomes, effectiveness and appropriateness of products, may result in lower reimbursements by payors for our products and decreased profits to us.

Other federal legislative changes have been proposed and adopted since the ACA was enacted. These changes included an aggregate reduction in Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013. The CARES Act, which was signed into law in March 2020 and subsequently amended, suspended the payment reductions from May 1, 2020 through December 31, 2020, and extended the sequester by one additional year, through 2030. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012, was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

The full impact on our business of the ACA and other new laws is uncertain. Nor is it clear whether other legislative changes will be adopted, if any, or how such changes would affect the demand for our products. Future actions by the administration and the U.S. Congress including, but not limited to, repeal or replacement of the ACA could have a material adverse impact on our results of operations or financial condition. Additionally, all or a portion of the ACA and related subsequent legislation may be modified, repealed or otherwise invalidated through other judicial challenge. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace, which began on February 15, 2021 and remained open through August 15, 2021. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact the ACA or our business.

Various healthcare reform proposals have also emerged at the state level within the United States. The ACA as well as other federal and/or state healthcare reform measures that may be adopted in the future, singularly or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Government and private insurance plans may not adequately reimburse our customers for our products, which could result in reductions in sales or selling prices for our products. Our ability to sell our products depends in large part on the extent to which coverage and adequate reimbursement for our products will be available from government health administration authorities, private health insurers and other organizations. These third-party payers are increasingly challenging the prices charged for medical products and services and can, without notice, deny coverage for our products or treatments that may include the use of our products. Therefore, even if a product is approved for marketing, we cannot

make assurances that coverage and reimbursement will be available for the product, that the reimbursement amount will be adequate or that the reimbursement amount, even if initially adequate, will not be subsequently reduced. For example, in some markets, such as Spain, France and Germany, government coverage and reimbursement are currently available for the purchase or rental of our products but are subject to constraints such as price controls or unit sales limitations. In other markets, such as Australia, there is currently limited or no reimbursement for devices that treat sleep apnea conditions. As we continue to develop new products, those products will generally not qualify for coverage and reimbursement until they are approved for marketing, if at all.

In the United States, we sell our products primarily to home healthcare dealers, hospitals and sleep clinics. Reductions in reimbursement to our customers by third-party payers, if they occur, may have a material impact on our customers and, therefore, may indirectly affect our pricing and sales to, or the collectability of receivables we have from, those customers. A development negatively affecting reimbursement stems from the Medicare competitive bidding program mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). Under the program, our customers who provide DME must compete to offer products in designated competitive bidding areas, or CBAs. In addition, under the ACA, in 2016, CMS adjusted the prices in non-competitive bidding areas to match competitive bidding prices. CMS phased in the new rates beginning January 1, 2016, and were fully effective July 1, 2016. This program has significantly reduced the Medicare reimbursement to our customers compared with reimbursement in 2011, at the beginning of the program. The 21st Century Cures Act retroactively adjusted rates in non-bid areas to allow for the higher phase-in rates to be paid for items furnished between July 1, 2016 and December 31, 2016, rather than the lower fully-adjusted rates. Rules issued by CMS in 2018 resumed the higher phase-in rates in rural and non-contiguous non-competitive bidding areas for items furnished between June 1, 2018 and December 31, 2020. Pursuant to the CARES Act, these higher phase-in rates were extended through December 31, 2020, or through the end of the COVID-19 public health emergency, and were implemented in areas other than rural areas and noncontiguous areas for the same period. On March 7, 2019, CMS announced it would initiate a new round of competitive bidding, named Round 2021, with contracts effective on January 1, 2021 through December 31, 2023. In addition to adopting new bidding processes, CMS expanded the product categories included in competitive bidding to include non-invasive ventilators. However, due to the COVID-19 pandemic, CMS removed NIVs from Round 2021 of the DMEPOS Competitive Bidding Program. CPAP, and respiratory assist devices, and related supplies and accessories, which had been included in prior rounds of competitive bidding, were included in the 15 remaining product categories that were bid for in Round 2021. However, CMS did not award competitive bidding contracts for any product categories other than OTS back and knee braces. Payment for items where contracts were not awarded – including CPAP and respiratory assist devices – will be based on adjusted fee schedule amounts. At this time, we cannot predict the full impact the competitive bidding program and the developments in the competitive bidding program will have on our business and financial condition. If changes are made to this program in the future, it could affect amounts being recovered by our customers.

With respect to Medicare reimbursement, the Protecting Medicare and American Farmers From Sequester Cuts Act was signed into law Dec 10, 2021. The law extended the 2% Medicare sequester moratorium through March 31, 2022, adjusted the sequester to 1% between April 1, 2022, and June 30, 2022 and reinstated the full 2% sequestration cut beginning July 1, 2022. The reduction in payment to healthcare providers is to the calculated Medicare payment after the approved amount is determined, and the deductible and coinsurance are applied, and not the 20% coinsurance owed by the patient. Further, the law eliminated the potential for an additional 4% Medicare sequester in 2022 due to statutory pay-as-you-go (PAYGO) requirement for one year. These additional cuts will take effect in 2023 after adjournment of the first session of the 117th Congress.

In addition, our products are the subject of periodic studies by third party agencies, including the Agency for Healthcare Research and Quality in the United States, intended to review the comparative effectiveness of different treatments of the same illness. Although the results of comparative effectiveness studies are not intended to mandate any reimbursement policies for public or private payers, it is not clear what, if any, effect such research will have on the sales of our products. Decreases in third-party reimbursement for our products or a decision by a third-party payer to not cover our products as a result of a third-party study could have a material adverse effect on our sales, results of operations and financial condition.

Failure to comply with anti-kickback and fraud regulations could result in substantial penalties and changes in our business operations. We are subject to healthcare fraud and abuse regulation and enforcement by federal, state and foreign governments, which could significantly impact our business. We also are subject to foreign fraud and abuse laws, which vary by country.

In the United States, the laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering, or paying remuneration, directly or indirectly, in cash or in kind, in exchange for or to induce either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of this statute or specific intent to violate the Anti-Kickback Statute itself to have committed a violation. The U.S. government has interpreted this law broadly to apply to the marketing and sales activities of manufacturers, distributors and revenue cycle management companies like us. Violations of the federal Anti-Kickback Statute may result in significant civil monetary penalties for each violation, plus up to three times the remuneration involved. Violations of the Federal Anti-Kickback Statute can also result in significant criminal penalties and imprisonment;
- federal civil and criminal false claims laws, including the False Claims Act, and civil monetary penalty laws, that prohibit, among other things, knowingly presenting, or causing to be presented, claims for payment or approval to the federal government that are false or fraudulent, knowingly making a false statement material to an obligation to pay or transmit money or property to the federal government or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the federal government. These laws may apply to manufacturers and distributors who provide information on coverage, coding, and reimbursement of their products to persons who do bill third-party payors. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Violations can result in debarment, suspension or exclusion from participation in government healthcare programs, including Medicare and Medicaid. When an entity is determined to have violated the federal civil False Claims Act, the government may impose significant civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs.
- HIPAA, which created federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. A person or entity does not need to have actual knowledge of these statutes or specific intent to violate them to have committed a violation;
- the federal Physician Sunshine Act requirements under the ACA, which impose reporting and disclosure requirements on device and drug manufacturers for any "transfer of value" made or distributed by certain manufacturers of drugs, devices, biologics, and medical supplies to physicians (including doctors, dentists, optometrists, podiatrists and chiropractors), teaching hospitals, and ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding payments and transfers of value provided during the previous year to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiology assistants and certified nurse midwives;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm customers; and
- state and foreign law equivalents of each of the above federal laws, such as state anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require device companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures.

The scope and enforcement of these laws are uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Responding to investigations can be time-and resource-consuming and can divert management's attention from the business. Additionally, as a result of these types of investigations, healthcare providers and entities may face litigation or have to agree to

settlements that can include monetary penalties and onerous compliance and reporting requirements as part of a consent decree or corporate integrity agreement. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business.

If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us now or in the future, we may be subject to penalties, including civil and criminal penalties, damages, fines, disgorgement, exclusion from governmental health care programs, additional compliance and reporting obligations, imprisonment and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results.

In December 2019, we entered into a settlement agreement with the U.S. Department of Justice and the U.S. Attorneys' Offices for the District Court of South Carolina, the Southern District of California, the Northern District of Iowa and the Eastern District of New York. The agreement resolved five lawsuits originally brought by whistleblowers under the qui tam provisions of the False Claims Act and allegations that we: (a) provided DME companies with free telephone call center services and other free patient outreach services that enabled these companies to order resupplies for their patients with sleep apnea, (b) provided sleep labs with free and below-cost positive airway pressure masks and diagnostic machines, as well as free installation of these machines, (c) arranged for, and fully guaranteed the payments due on, interest-free loans that DME supplies acquired from third-party financial institutions for the purchase of our equipment, and (d) provided non-sleep specialist physicians free home sleep testing devices referred to as "ApneaLink." We agreed with the government to civilly resolve these matters for a payment of $39.5 million ($37.5 million to the federal government and $2 million to the various states) and we incurred additional fees and administrative costs that typically accompany such a resolution amounting to $1.1 million. The specific allegations and the resolution of those allegations are contained in the Company's settlement agreement with the adverse parties. The total final costs relating to these matters was $40.6 million.

Contemporaneous with the civil settlement, we also entered into a five-year Corporate Integrity Agreement, or CIA, with the Department of Health and Human Services Office of Inspector General. The CIA required, among other things, that we implement additional controls around our product pricing and sales and that we conduct internal and external monitoring of our arrangements with referrals sources. The settlement agreement with the government and the CIA could result in reputational harm or the curtailment or restructuring of our operations, any of which could materially adversely affect our financial results and our ability to operate our business. In addition, our failure to comply with our obligations under the CIA could result in monetary penalties and our exclusion from participating in federal healthcare programs. The costs associated with compliance with the CIA, or any liability or consequences associated with its breach, could have an adverse effect on our operations, liquidity and financial condition.

Our use and disclosure of personal information, including health information, is subject to federal, state and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm. The privacy and security of personal information whether stored, maintained, received or transmitted electronically or in paper form is a major issue in the U.S. and abroad. While we strive to comply with all applicable privacy and security laws and regulations, as well as our own posted privacy policies, legal standards for privacy, including but not limited to "unfairness" and "deception," as enforced by the FTC and state attorneys general, continue to evolve and any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, or could cause us to lose audience and customers, which could have a material adverse effect on our business. Recently, there has been an increase in public awareness of privacy issues in the wake of revelations about the activities of various government agencies and in the number of private privacy-related lawsuits filed against companies. Concerns about our practices with regard to the collection, use, disclosure, security or deletion of personally identifiable information or other privacy-related matters, even if unfounded and even if we are in compliance with applicable laws, could damage our reputation and harm our business.

Numerous foreign, federal and state laws and regulations govern collection, dissemination, use and confidentiality of personally identifiable health information, including (i) state privacy and confidentiality laws (including state laws requiring disclosure of breaches); (ii) HIPAA; and (iii) European and other foreign data protection laws, including the EU GDPR and the UK GDPR.

HIPAA establishes a set of national privacy and security standards for the protection of individually identifiable health information, or protected health information, by health plans, healthcare clearinghouses and healthcare providers that submit certain covered transactions electronically, or covered entities, and their "business associates," which are persons or

entities that perform certain services for, or on behalf of, a covered entity that involve creating, receiving, maintaining or transmitting protected health information, as well as their covered subcontractors. Certain portions of our business, such as the cloud-based software digital health applications, are subject to HIPAA as a business associate of our covered entity clients. To provide our covered entity clients with services that involve access to PHI, HIPAA requires us to enter into business associate agreements that require us to safeguard PHI in accordance with HIPAA. As a business associate, we are also directly liable for compliance with HIPAA. Penalties for violations of HIPAA regulations include civil and criminal penalties.

HIPAA authorizes state attorneys' general to file suit under HIPAA on behalf of state residents. Courts can award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for HIPAA violations, its standards have been used as the basis for a duty of care claim in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

HIPAA further requires business associates like us to notify our covered entity clients "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach." Covered entities must notify affected individuals "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach" if their unsecured PHI is subject to an unauthorized access, use or disclosure. If a breach affects 500 patients or more, covered entities must report it to HHS and local media without unreasonable delay, and HHS will post the name of the breaching entity on its public website. If a breach affects fewer than 500 individuals, the covered entity must log it and notify HHS at least annually.

If we are unable to properly protect the privacy and security of health information entrusted to us, our solutions may be perceived as not secure, we may incur significant liabilities and customers may curtail their use of or stop using our solutions. In addition, if we fail to comply with the terms of our business associate agreements with our clients, we are liable not only contractually but also directly under HIPAA.

In addition, the California Consumer Privacy Act of 2018, or CCPA, became effective on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly defined) and provide such consumers new ways to opt-out of certain sales of personal information. The CCPA includes civil penalties for violations, as well as a private right of action for data breaches. Although the law includes limited exceptions, including for "protected health information" maintained by a covered entity or business associate, it may regulate or impact our processing of personal information depending on the context. The CCPA may increase our compliance costs and potential liability. Further, the California Privacy Rights Act, or CPRA, which becomes effective on January 1, 2023, superseding the CCPA, will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Several additional US states have implemented comprehensive data privacy laws, which will become effective starting in January 1, 2023. If we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection law, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

In addition to these comprehensive data protection laws, to date, at least three states have adopted laws specifically regulating the collection, use, storage, and disclosure of biometrics, and additional states may seek to regulate—and/or restrict the use of—biometrics in the future. Certain of our products use, or permit the use of, information that could be classified as a biometric under these or other laws. If we are subject to or affected by these or other laws, we may be required to modify the way in which we make available our product or certain features of our product. We also may be required to implement additional practices or processes or otherwise invest our resources to comply with these and other regulations. If we are unable to comply with these laws, or if these laws require us to change our products or services, we may encounter liability that could adversely affect our financial condition.

We are also subject to laws and regulations in non-U.S. countries covering data privacy and the protection of health-related and other personal information. For example, EU member states, the United Kingdom, and other jurisdictions have adopted data protection laws and regulations, which impose significant compliance obligations. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of personal information that identifies or

may be used to identify an individual, such as names, contact information, and sensitive personal data such as health data. These laws and regulations are subject to frequent revisions and differing interpretations and have generally become more stringent over time.

In addition, the GDPR went into effect in May 2018. The GDPR imposes stringent data protection requirements for the processing of personal data in the European Economic Area, or EEA. The GDPR imposes several stringent requirements for controllers and processors of personal data, and increased our obligations, for example, by imposing higher standards for obtaining consent from individuals to process their personal data, requiring more robust disclosures to individuals, strengthening individual data rights, shortening timelines for data breach notifications, limiting retention periods and secondary use of information (including for research purposes), increasing requirements pertaining to health data and pseudonymized (i.e., key-coded) data and imposing additional obligations when we contract with third party processors in connection with the processing of the personal data. The GDPR also imposes strict rules on the transfer of personal data out of the EEA, including to the United States, and recent legal developments in Europe have created complexity regarding such transfers of personal data from the EEA to the United States. For example, the European Commission and the United Kingdom have adopted new standard contractual clauses under which entities may transfer personal data from the European Union and the United Kingdom, which we may be required to implement. We must evaluate such data transfers on a case-by-case basis to ensure continued permissibility under current law and consistent with the new standard contractual clauses. European data protection law provides that EEA member states may make their own further laws and regulations limiting the processing of genetic, biometric or health data, which could limit our ability to use and share personal data or could cause our costs to increase, and harm our business and financial condition. Failure to comply with the requirements of GDPR and the applicable national data protection and marketing laws of the EEA member states may result in fines of up to €20.0 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties as well as individual claims for compensation. EU Member States and the UK also have established laws pertaining to electronic monitoring, which could require us to take additional compliance measures. Failure to comply with such laws may subject us to penalties.

The United Kingdom also has adopted its version of the General Data Protection Regulation ("UK GDPR"). The United Kingdom GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of £17.5 million or 4% of global turnover.

Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. Any failure or perceived failure by us to comply with privacy or security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized release or transfer of personally identifiable information may also result in governmental enforcement actions and investigations, fines and penalties, litigation and/or adverse publicity, including by consumer advocacy groups, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Such failures could have a material adverse effect on our financial condition and operations. If the third parties we work with violate applicable laws, contractual obligations or suffer a security incident, such violations may also put us in breach of our obligations under privacy laws and regulations and/or could in turn have a material adverse effect on our business.

Our business activities are subject to extensive regulation, and any failure to comply could have a material adverse effect on our business, financial condition, or results of operations. We are subject to extensive U.S. federal, state, local and international regulations regarding our business activities. Failure to comply with these regulations could result in, among other things, recalls of our products, substantial fines and criminal charges against us or against our employees. Furthermore, certain of our products could be subject to recall if the Food and Drug Administration, or the FDA, other regulators or we determine, for any reason, that those products are not safe or effective. Any recall or other regulatory action could increase our costs, damage our reputation, affect our ability to supply customers with the quantity of products they require and materially affect our operating results. Certain of our products and services include the use of artificial intelligence (AI), which is intended to enhance the operation of our products and services. The FTC recently has issued a report expressing a concern regarding AI and bias across industry sectors, including in the healthcare space, and has suggested that such bias could lead to unfair and deceptive practices, among other concerns. Any changes to our ability to use AI or concerns about bias could require us to modify our products and services or could have other negative financial impact on our business.

Product sales, introductions or modifications may be delayed or canceled as a result of FDA regulations or similar foreign regulations, which could cause our sales and profits to decline. Unless a product is exempt, before we can

market or sell a new medical device in the United States, we must obtain FDA clearance or approval, which can be a lengthy and time-consuming process. We generally receive clearance from the FDA to market our products in the United States under Section 510(k) of the Federal Food, Drug, and Cosmetic Act or our products are exempt from the Section 510(k) clearance process. The 510(k) clearance process can be expensive, time-consuming and uncertain. In the 510(k) clearance process, the FDA must determine that a proposed device is "substantially equivalent" to a device legally on the market, known as a "predicate" device, with respect to intended use, technology and safety and effectiveness, in order to clear the proposed device for marketing. The FDA has a high degree of latitude when evaluating submissions and may determine that a proposed device submitted for 510(k) clearance is not substantially equivalent to a predicate device. After a device receives 510(k) premarket notification clearance from the FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in the intended use of the device, technology, materials, packaging, and certain manufacturing processes may require a new 510(k) clearance or premarket approval. We have modified some of our Section 510(k) approved products without submitting new Section 510(k) notices, which we do not believe were required. However, if the FDA disagrees with us and requires us to submit new Section 510(k) notifications for modifications to our existing products, we may be required to stop marketing the products while the FDA reviews the Section 510(k) notification.

Any new product introduction or existing product modification could be subjected to a lengthier, more rigorous FDA examination process. For example, in certain cases we may need to conduct clinical trials of a new product before submitting a 510(k) notice. We may also be required to obtain premarket approvals for certain of our products. Indeed, recent trends in the FDA's review of premarket notification submissions suggest that the FDA is often requiring manufacturers to provide new, more expansive, or different information regarding a particular device than what the manufacturer anticipated upon 510(k) submission. This has resulted in increasing uncertainty and delay in the premarket notification review process. For example, in November 2018, FDA officials announced steps that the FDA intended to take to modernize the 510(k) premarket notification pathway. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k) clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. In September 2019, the FDA also issued revised final guidance establishing a "Safety and Performance Based Pathway" for "manufacturers of certain well-understood device types" allowing manufacturers to rely on objective safety and performance criteria recognized by the FDA to demonstrate substantial equivalence, obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA has developed and maintains a list of device types appropriate for the "safety and performance based" pathway and continues to develop product-specific guidance documents that identify the performance criteria and recommended testing methodologies for each such device type, where feasible. Some of these proposals have not yet been finalized or adopted, although the FDA may work with Congress to implement such proposals through legislation. Accordingly, it is unclear the extent to which any proposals, if adopted, could impose additional regulatory requirements on us that could delay our ability to obtain new 510(k) clearances, increase the costs of compliance, or restrict our ability to maintain our current clearances, or otherwise create competition that may negatively affect our business.

The FDA's ongoing review of the 510(k) program may make it more difficult for us to make modifications to our previously cleared products, either by imposing stricter requirements on when a manufacturer must submit a new 510(k) for a modification to a previously cleared product, or by applying more onerous review criteria to such submissions. FDA continues to review its 510(k) clearance process which could result in additional changes to regulatory requirements or guidance documents which could increase the costs of compliance or restrict our ability to maintain current clearances. The requirements of the more rigorous premarket approval process and/or significant changes to the 510(k) clearance process could delay product introductions and increase the costs associated with FDA compliance. Marketing and sale of our products outside the United States are also subject to regulatory clearances and approvals, and if we fail to obtain these regulatory approvals, our sales could suffer. We cannot assure you that any new products we develop will receive required regulatory approvals from U.S. or foreign regulatory agencies.

We are subject to substantial regulation related to quality standards applicable to our manufacturing and quality processes. Our failure to comply with these standards could have an adverse effect on our business, financial condition, or results of operations. The FDA regulates the approval, manufacturing, and sales and marketing of many of our products in the United States. Significant government regulation also exists in Canada, Japan, Europe, and other countries in which we conduct business. As a device manufacturer, we are required to register with the FDA and are

subject to periodic inspection by the FDA for compliance with the FDA's Quality System Regulation requirements, which require manufacturers of medical devices to adhere to certain regulations, including testing, quality control and documentation procedures. In addition, the federal Medical Device Reporting regulations require us to provide information to the FDA whenever there is evidence that reasonably suggests that a device may have caused or contributed to a death or serious injury or, if a malfunction were to occur, could cause or contribute to a death or serious injury. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through periodic inspections by the FDA. In the European Union, we are required to maintain certain ISO certifications in order to sell our products and must undergo periodic inspections by notified bodies to obtain and maintain these certifications. Failure to comply with current governmental regulations and quality assurance guidelines could lead to temporary manufacturing shutdowns, product recalls or related field actions, product shortages or delays in product manufacturing. Efficacy or safety concerns, an increase in trends of adverse events in the marketplace, and/or manufacturing quality issues with respect to our products could lead to product recalls or related field actions, withdrawals, and/or declining sales.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business. The ability of the FDA to review and clear or approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for medical devices or modifications to cleared or approved medical devices to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most foreign inspections of manufacturing facilities, and subsequently, on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. Subsequently, on July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Off-label marketing of our products could result in substantial penalties. The FDA strictly regulates the promotional claims that may be made about FDA-cleared products. In particular, clearance under Section 510(k) only permits us to market our products for the uses indicated on the labeling cleared by the FDA. We may request additional label indications for our current products, and the FDA may deny those requests outright, require additional expensive clinical data to support any additional indications or impose limitations on the intended use of any cleared products as a condition of clearance. If the FDA determines that we have marketed our products for off-label use, we could be subject to fines, injunctions or other penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs, and the curtailment of our operations. Any of these events could significantly harm our business and results of operations and cause our stock price to decline.

Laws regulating consumer contacts could adversely affect our business operations or create liabilities. Our business activities include contacts with consumers in different parts of the world. Certain laws, such as the U.S. Telephone Consumer Protection Act, regulate telemarketing practices and certain automated outbound contacts with consumers, such as phone calls, texts or emails. Our use of outbound contacts may be restricted by existing laws, or by laws, regulations, or regulatory decisions that may be adopted in the future. Similarly, certain data privacy laws, including CCPA, and

subsequently CPRA, and the GDPR require disclosure of our privacy practices to consumers. If we are found to have violated these laws or regulations, we may be subjected to substantial fines, penalties, or liabilities to consumers.

Tax laws, regulations, and enforcement practices are evolving and may have a material adverse effect on our results of operations, cash flows and financial position. Tax laws, regulations, and administrative practices in various jurisdictions are evolving and may be subject to significant changes due to economic, political, and other conditions. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain, and significant judgment is required in evaluating and estimating our provision and accruals for taxes. Governments are increasingly focused on ways to increase tax revenues, particularly from multinational corporations, which may lead to an increase in audit activity and aggressive positions taken by tax authorities.

Changes or clarifications to U.S. tax laws could materially affect the tax treatment of our domestic and foreign earnings. The Organisation for Economic Co-operation and Development, an international association of 34 countries, including the United States, released the final reports from its Base Erosion and Profit Shifting, or BEPS, Action Plans, which aim to standardize and modernize global tax policies. The BEPS Action Plans propose revisions to numerous tax rules, including country-by-country reporting, permanent establishment, hybrid entities and instruments, transfer pricing, and tax treaties. The BEPS Action Plans have been or are being enacted by countries where we have operations. Additionally, the U.S. Treasury department recently proposed the adoption of aglobal minimum corporate tax rate of at least 15%, which, if enacted, could negatively impact our effective tax rate.

Developments in relevant tax laws, regulations, administrative practices and enforcement practices could have a material adverse effect on our operating results, financial position and cash flows, including the need to obtain additional financing.

We are subject to tax audits by various tax authorities in many jurisdictions. Our income tax returns are based on calculations and assumptions that require significant judgment and are subject to audit by various tax authorities. In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws. We regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes.

On September 19, 2021, we concluded the settlement agreement with the Australian Taxation Office (“ATO”) in relation to the previously disclosed transfer pricing dispute for the tax years 2009 through 2018 (“ATO settlement”). The ATO settlement fully resolved the dispute for all prior years, with no admission of liability and provides clarity in relation to certain future taxation principles.

The final net impact of the ATO settlement was $238.7 million, which represents a gross amount of $381.7 million, including interest and penalties of $48.1 million, and adjustments for credits and deductions of $143.0 million. As a result of the ATO settlement and due to movements in foreign currencies, we recorded a benefit of $14.1 million within other comprehensive income, and a $4.1 million reduction of tax credits, which was recorded to income tax expense. As a result of the ATO settlement, we reversed our previously recorded uncertain tax position.

On September 28, 2021, we remitted final payment to the ATO of $284.8 million, consisting of the agreed settlement amount of $381.7 million less prior remittances made to the ATO of $96.9 million.

Tax years 2018 to 2021 remain subject to future examination by the major tax jurisdictions in which we are subject to tax. Any final assessment resulting from tax audits may result in material changes to our past or future taxable income, tax payable or deferred tax assets, and may require us to pay penalties and interest that could materially adversely affect our financial results.

Risks Related to the Securities Markets and Ownership of Our Common Stock

Our results of operations may be materially affected by global economic conditions generally, including conditions in the financial markets. Global economic conditions could make it difficult for us, our customers and our suppliers to accurately forecast and plan future business activities. Adverse economic conditions, including inflation and higher interest rates, could cause customers to reduce or delay their purchases, which could impact our revenue, our ability to manage inventory levels, collect customer receivables, and potentially decrease our profitability. In addition, prevailing economic conditions could constrain the supply of components used in the manufacturing of our products, which may result in higher costs and impact our ability to meet customer demand. We cannot predict the timing, strength, or duration of any economic

slowdown, or the speed of any subsequent economic recovery. If the economy or markets in which we operate were to deteriorate, our business, financial condition, and results of operations may be adversely affected.

Our quarterly operating results are subject to fluctuation for a variety of reasons. Our operating results have, from time to time, fluctuated on a quarterly basis and may be subject to similar fluctuations in the future. These fluctuations may result from a number of factors, including:

- the introduction of new products by us or our competitors;
- the geographic mix of product sales;
- the success and costs of our marketing efforts in new regions;
- changes in third-party payor reimbursement;
- timing of regulatory clearances and approvals;
- costs associated with acquiring and integrating new businesses, technologies and product offerings;
- timing of orders by distributors;
- expenditures incurred for research and development;
- competitive pricing in different regions;
- the effect of foreign currency transaction gains or losses; and
- other activities, including product recalls, by our competitors.

Fluctuations in our quarterly operating results may cause the market price of our common stock to fluctuate.

Delaware law and provisions in our charter could make it difficult for another company to acquire us. Provisions of our certificate of incorporation may have the effect of delaying or preventing changes in control or management which might be beneficial to us or our security holders. In particular, our board of directors has the authority to issue up to 2.0 million shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without further vote or action by the stockholders. The rights of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control, may discourage bids for our common stock at a premium over the market price of our common stock and may adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock.

ITEM 1B UNRESOLVED STAFF COMMENTS

We have received no written comments regarding our periodic or current reports from the staff of the SEC that were issued 180 days or more before the end of our fiscal year 2022 that remain unresolved.

ITEM 2 PROPERTIES

We conduct our operations in both owned and leased properties. Our principal executive offices and U.S. sales facilities consist of approximately 230,000 square feet and are located on Spectrum Center Boulevard in San Diego, California, in a building we own. We have our primary research and development facilities, as well as office and manufacturing facilities at our owned site in Sydney, Australia. Other facilities are in Atlanta, Georgia, Moreno Valley, California, Chatsworth, California, and Bloomington, Minnesota, U.S.A.; Singapore; Munich, Germany; Lyon, France; Suzhou, China; Halifax, Canada; and Johor Bahru, Malaysia.

RESMED INC. AND SUBSIDIARIES

We believe that our facilities are adequate to meet the needs of our current business operations. At June 30, 2022, our principal owned and leased properties were as follows:

Location	Ownership Status (Owned / Leased)	Square footage	Primary Usage
San Diego, California	Owned	230,000	Corporate headquarters, engineering, research and development, sales and administration
Sydney, Australia	Owned	224,000	Manufacturing, engineering, research and development, sales and administration
Suzhou, China	Owned	53,000	Manufacturing, warehouse, engineering, research and development
Atlanta, Georgia	Leased	522,000	Manufacturing, warehouse and distribution, SaaS sales and administration, engineering, research and development
Singapore	Leased	305,000	Manufacturing, engineering, research and development, sales and administration
Moreno Valley, California	Leased	244,000	Warehouse and distribution
Johor, Malaysia	Leased	155,000	Manufacturing, engineering, research and development
Chatsworth, California	Leased	72,000	Manufacturing, engineering, research and development
Munich, Germany	Leased	60,000	Sales and distribution
Lyon, France	Leased	52,000	Sales and distribution
Bloomington, Minnesota	Leased	51,000	SaaS sales and administration, engineering, research and development
Halifax, Canada	Leased	47,000	Engineering, research and development

ITEM 3 LEGAL PROCEEDINGS

We are involved in various legal proceedings, claims, investigations and litigation that arise in the ordinary course of our business. See Note 16 – Legal Actions, Contingencies and Commitments of the Notes to Consolidated Financial Statements (Part II, Item 8) included in this report, which is incorporated by reference herein.

Litigation is inherently uncertain. Accordingly, we cannot predict with certainty the outcome of these matters. But we do not expect the outcome of these matters to have a material adverse effect on our consolidated financial statements when taken as a whole.

ITEM 4 MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NYSE under the symbol "RMD". As of July 31, 2022, there were 26 holders of record of our common stock, although the actual number of stockholders of our common stock is greater than this number of holders of record and many of these holders of record own shares as nominees on behalf of other beneficial owners.

Securities Authorized for Issuance Under Equity Compensation Plans

The information included under Item 12 of Part III of this Report, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," is hereby incorporated by reference into this Item 5 of Part II of this Report.

Purchases of Equity Securities

On February 21, 2014, our board of directors approved our current share repurchase program, authorizing us to acquire up to an aggregate of 20.0 million shares of our common stock. The program allows us to repurchase shares of our common stock from time to time for cash in the open market, or in negotiated or block transactions, as market and business conditions warrant and subject to applicable legal requirements. There is no expiration date for this program, and the program may be accelerated, suspended, delayed or discontinued at any time at the discretion of our board of directors. All share repurchases after February 21, 2014 have been executed under this program.

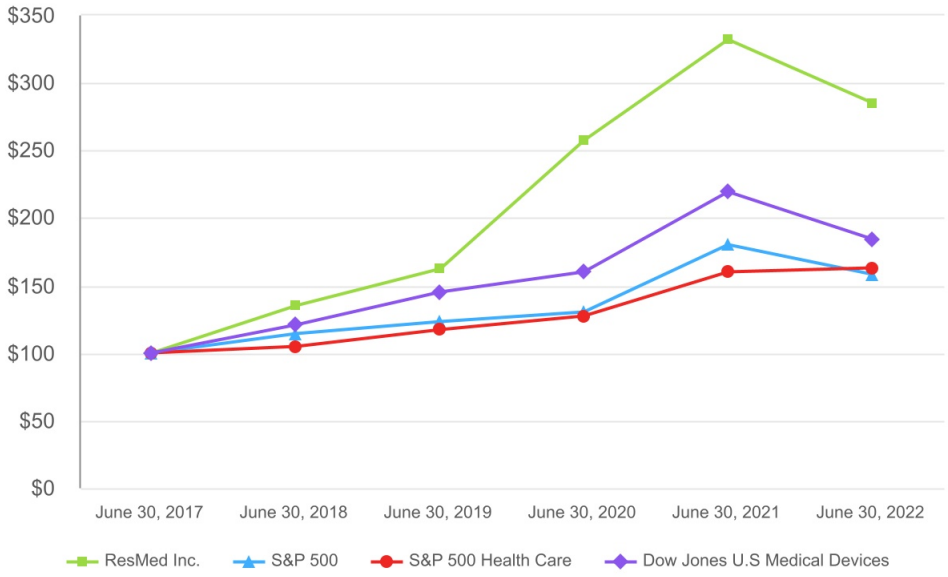
In fiscal year 2019, we temporarily suspended our share repurchase program due to recent acquisitions, and more recently, as a response to the COVID-19 pandemic. As a result, we did not repurchase any shares during the twelve months ended June 30, 2022. However, there is no expiration date for this program, and we may, at any time, elect to resume the share repurchase program as the circumstances allow. Since the inception of the share buyback programs, we have repurchased 41.8 million shares at a total cost of $1.6 billion. June 30, 2022, 12.9 million additional shares can be repurchased under the approved share repurchase program.

PERFORMANCE GRAPH

This performance graph is furnished and shall not be deemed "filed" with the SEC or subject to Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any of our filings under the Securities Act of 1933, as amended.

RESMED INC. AND SUBSIDIARIES

The following graph compares the cumulative total stockholders return on our common stock from June 30, 2017 through June 30, 2022, with the comparable cumulative return of the S&P 500 index, the S&P 500 Health Care index, and the Dow Jones U.S. Medical Devices index. The graph assumes that $100 was invested in our common stock and each index on June 30, 2017. In addition, the graph assumes the reinvestment of all dividends paid. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



The following table shows total indexed return of stock price plus reinvestments of dividends, assuming an initial investment of $100 at June 30, 2017, for the indicated periods.

	As of June 30,					
Index	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
ResMed Inc.	100	135	162	257	332	285
S&P 500	100	114	123	130	180	158
S&P 500 Health Care	100	105	117	127	160	163
Dow Jones U.S. Medical Devices	100	121	145	160	219	184

ITEM 6 SELECTED FINANCIAL DATA

The following table summarizes certain selected consolidated financial data for, and as of the end of, each of the fiscal years in the five-year period ended June 30, 2022. The data set forth below should be read together with Item 7 of Part II of this report, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8 of Part II of this report, “Consolidated Financial Statements and Supplementary Data”, and related notes included elsewhere in this report. The consolidated statement of income data for the years ended June 30, 2022, 2021 and 2020 and the consolidated balance sheet data as of June 30, 2022 and 2021 are derived from our audited consolidated financial statements included elsewhere in this report. The consolidated statement of income data for the years ended June 30, 2019 and 2018 and the consolidated balance sheet data as of June 30, 2020, 2019 and 2018 are derived from our audited consolidated financial

statements not included in this report. Historical results do not necessarily indicate the results to be expected in the future, and the results for the years presented should not be considered to indicate our future results of operations.

Consolidated Statement of Income Data	Years Ended June 30,				
(In thousands, except per share data):	2022	2021	2020	2019	2018
Net revenue	$ 3,578,127	$ 3,196,825	$ 2,957,013	$ 2,606,572	$ 2,340,196
Cost of sales (exclusive of amortization shown separately below)	1,514,166	1,312,598	1,189,624	1,069,987	978,032
Amortization of acquired intangible assets	39,650	45,127	49,603	42,514	27,266
Total cost of sales	1,553,816	1,357,725	1,239,227	1,112,501	1,005,298
Gross profit	2,024,311	1,839,100	1,717,786	1,494,071	1,334,898
Selling, general and administrative expenses	739,372	670,387	676,689	645,010	600,369
Research and development expenses	253,575	225,284	201,946	180,651	155,149
Amortization of acquired intangible assets	31,078	31,078	30,092	32,424	19,117
Restructuring expenses	—	8,673	—	9,401	18,432
Litigation settlement expenses	—	—	(600)	41,199	—
Acquisition related expenses	—	—	—	6,123	—
Total operating expenses	1,024,025	935,422	908,127	914,808	793,067
Income from operations	1,000,286	903,678	809,659	579,263	541,831
Other income:					
Interest income (expense), net	(22,312)	(23,627)	(39,356)	(33,857)	(11,977)
Loss attributable to equity method investments	(8,486)	(11,205)	(25,058)	(15,833)	—
Other, net	(9,005)	14,816	(12,157)	(10,726)	(8,542)
Total other income (loss), net	(39,803)	(20,016)	(76,571)	(60,416)	(20,519)
Income before income taxes	960,483	883,662	733,088	518,847	521,312
Income taxes	181,046	409,157	111,414	114,255	205,724
Net income	$ 779,437	$ 474,505	$ 621,674	$ 404,592	$ 315,588
Basic earnings per share	$ 5.34	$ 3.27	$ 4.31	$ 2.83	$ 2.21
Diluted earnings per share	$ 5.30	$ 3.24	$ 4.27	$ 2.80	$ 2.19
Dividends per share	$ 1.68	$ 1.56	$ 1.56	$ 1.48	$ 1.40
Weighted average:					
Basic shares outstanding	146,066	145,313	144,338	143,111	142,764
Diluted shares outstanding	147,043	146,451	145,652	144,484	143,987

	As of June 30,				
Consolidated Balance Sheet Data (In thousands):	2022	2021	2020	2019	2018
Working capital	$ 1,242,179	$ 662,991	$ 920,698	$ 589,375	$ 554,468
Total assets	5,095,853	4,728,125	4,587,376	4,107,682	3,063,923
Long-term debt, less current maturities	765,325	643,351	1,164,133	1,258,861	269,988
Total stockholders' equity	$ 3,360,751	$ 2,885,679	$ 2,497,027	$ 2,072,193	$ 2,058,980

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Management's discussion and analysis of financial condition and results of operations ("MD&A") is intended to help the reader understand our results of operations and financial condition. It is provided as a supplement to, and should be read in conjunction with the selected financial data and consolidated financial statements and notes included in this report.

We are a global leader in the development, manufacturing, distribution and marketing of medical devices and cloud-based software applications that diagnose, treat and manage respiratory disorders, including SDB, COPD, neuromuscular disease and other chronic diseases. SDB includes obstructive sleep apnea and other respiratory disorders that occur during sleep. Our products and solutions are designed to improve patient quality of life, reduce the impact of chronic disease and lower healthcare costs as global healthcare systems continue to drive a shift in care from hospitals to the home and lower cost settings. Our cloud-based digital health applications, along with our devices, are designed to provide connected care to improve patient outcomes and efficiencies for our customers.

Since the development of continuous positive airway pressure therapy, we have expanded our business by developing or acquiring a number of products and solutions for a broader range of respiratory disorders including technologies to be applied in medical and consumer products, ventilation devices, diagnostic products, mask systems for use in the hospital and home, headgear and other accessories, dental devices, and cloud-based software informatics solutions to manage patient outcomes and customer and provider business processes. Our growth has been fueled by geographic expansion, our research and product development efforts, acquisitions and an increasing awareness of SDB and other respiratory conditions like chronic obstructive pulmonary disease as significant health concerns.

We are committed to ongoing investment in research and development and product enhancements. During fiscal year 2022, we invested $253.6 million on research and development activities, which represents 7.1% of net revenues with a continued focus on the development and commercialization of new, innovative products and solutions that improve patient outcomes, create efficiencies for our customers and help physicians and providers better manage chronic disease and lower healthcare costs. During fiscal year 2022 we continued the launch of AirSense 11, which introduces new features such as a touch screen, algorithms for patients new to therapy and digital enhancements and over-the-air update capabilities. Due to multiple acquisitions, including Brightree in April 2016, HEALTHCAREfirst in July 2018 and MatrixCare in November 2018, and our pending acquisition of MEDIFOX DAN which is expected to close during fiscal year 2023 subject to regulatory clearances, our operations now include out-of-hospital software platforms designed to support the professionals and caregivers who help people stay healthy in the home or care setting of their choice. These platforms comprise our SaaS business. These products, our cloud-based remote monitoring and therapy management system, and a robust product pipeline, should continue to provide us with a strong platform for future growth.

We have determined that we have two operating segments, which are the sleep and respiratory disorders sector of the medical device industry ("Sleep and Respiratory Care") and the supply of business management software as a service to out-of-hospital health providers ("SaaS").

Net revenue in fiscal year 2022 increased to $3,578.1 million, an increase of 12% compared to fiscal year 2021. Gross profit increased for the year ended June 30, 2022 to $2,024.3 million, from $1,839.1 million for the year ended June 30, 2021, an increase of $185.2 million or 10%. Our net income for the year ended June 30, 2022 was $779.4 million or $5.30 per diluted share compared to net income of $474.5 million or $3.24 per diluted share for the year ended June 30, 2021. Unrecognized tax benefits as described at Note 13 – Income Taxes impacted our diluted earnings per share by $1.70 for the year ended June 30, 2021.

Total operating cash flow for fiscal year 2022 was $351.1 million and at June 30, 2022, our cash and cash equivalents totaled $273.7 million. At June 30, 2022, our total assets were $5.1 billion and our stockholders' equity was $3.4 billion. We paid a quarterly dividend of $0.42 per share during fiscal 2022 with a total amount of $245.3 million paid to stockholders.

In order to provide a framework for assessing how our underlying businesses performed, excluding the effect of foreign currency fluctuations, we provide certain financial information on a "constant currency basis", which is in addition to the actual financial information presented. In order to calculate our constant currency information, we translate the current period financial information using the foreign currency exchange rates that were in effect during the previous comparable period. However, constant currency measures should not be considered in isolation or as an alternative to U.S. dollar measures that reflect current period exchange rates, or to other financial measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP").

For discussion related to the results of operations and changes in financial condition for the fiscal year ended June 30, 2021 compared to fiscal year June 30, 2020, please refer to Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report for the Year Ended June 30, 2021, which was filed with the United States Securities and Exchange Commission on August 16, 2021.

Key Trends and Economic Factors Affecting Our Business

Supply Chain Disruptions

The COVID-19 pandemic has continued to impact the global supply chain, primarily through a lack of availability of raw materials and electronic components. The lack of raw materials and electronic components is also impacting companies outside of our direct industry, which is resulting in a competitive supply environment causing higher costs, requiring us to commit to minimum purchase obligations as well as make upfront payments to our suppliers. Additionally, we have observed a reduction in both inbound and outbound transportation capacity as a result of port closures and delays associated with the pandemic, which is causing longer lead times in receiving raw materials into and distributing finished goods out of our manufacturing facilities, in addition to increased freight costs. These highly competitive and constrained supply chain conditions are increasing our cost of sales, which has and may continue to decrease our gross margin. Given the ongoing uncertainty regarding the duration and extent of the COVID-19 pandemic, we are uncertain as to the duration and extent of constraint on our supply chain.

Competitor Recall

An ongoing product recall by one of our competitors, Philips, has resulted in increased demand for our sleep and respiratory care devices. The supply chain disruptions outlined above have constrained and restricted our ability to meet this increased demand and we expect these constraints will continue into the fiscal year ending June 30, 2023.

COVID-19

Although there is still substantial uncertainty associated with the COVID-19 pandemic, we believe the global demand for ventilators and other respiratory support devices used to treat COVID-19 patients has largely been met. We did not observe material incremental demand for our ventilator devices and masks associated with the pandemic during the twelve months ended June 30, 2022.

In most markets, diagnostic pathways for sleep apnea treatment, including physician practices, home medical equipment ("HME") distributors, and sleep clinics have largely recovered towards pre-pandemic levels as vaccines and boosters roll out globally. Likewise, we have continued to observe stabilizing patient flow in our out-of-hospital care settings within our SaaS business.

Our ability to continue to operate without any significant negative impacts will in part depend on our ability to protect our employees. We have endeavored and continue to follow recommended actions of government and health authorities to protect our employees worldwide as we progressively reopen our offices around the world. The pandemic has not negatively impacted our liquidity position.

Impact on Our Business

As a result of these trends, we were not able to meet all the demand available in the market during the twelve months ended June 30, 2022. We are being allocated components from our suppliers, particularly semiconductor chips, and we are thus being forced to allocate our outbound products to our customers. We have established an allocation process with clear

guiding principles that give priority to the production and delivery of devices to meet the needs of the highest acuity patients first.

Fiscal Year Ended June 30, 2022 Compared to Fiscal Year Ended June 30, 2021

Net Revenues

Net revenue for the year ended June 30, 2022 increased to $3,578.1 million from $3,196.8 million for the year ended June 30, 2021, an increase of $381.3 million or 12% (a 13% increase on a constant currency basis). The following table summarizes our net revenue disaggregated by segment, product and region for the year ended June 30, 2022 compared to the year ended June 30, 2021 (in thousands):

	Year Ended June 30,			
	2022	2021	% Change	Constant Currency*
U.S., Canada and Latin America				
Devices	$ 1,070,420	$ 863,661	24 %	
Masks and other	911,387	841,452	8	
Total Sleep and Respiratory Care	$ 1,981,807	$ 1,705,113	16	
Software as a Service	400,829	373,590	7	
Total	$ 2,382,636	$ 2,078,703	15	
Combined Europe, Asia and other markets				
Devices	$ 796,488	$ 746,379	7 %	10 %
Masks and other	399,003	371,743	7	12
Total Sleep and Respiratory Care	$ 1,195,491	$ 1,118,122	7	11
Global revenue				
Devices	$ 1,866,908	$ 1,610,040	16 %	17 %
Masks and other	1,310,390	1,213,195	8	9
Total Sleep and Respiratory Care	$ 3,177,298	$ 2,823,235	13	14
Software as a Service	400,829	373,590	7	7
Total	$ 3,578,127	$ 3,196,825	12	13

* Constant currency numbers exclude the impact of movements in international currencies.

Sleep and Respiratory Care

Net revenue from our Sleep and Respiratory Care business for the year ended June 30, 2022 increased to $3,177.3 million from $2,823.2 million for the year ended June 30, 2021, an increase of $354.1 million or 13%. Movements in international currencies against the U.S. dollar negatively impacted net revenues by approximately $43.0 million for the year ended June 30, 2022. Excluding the impact of currency movements, total net revenue from our Sleep and Respiratory Care business for the year ended June 30, 2022 increased by 14% compared to the year ended June 30, 2021. The increase in net revenue was primarily attributable to an increase in unit sales of our devices and masks, including recovery of core sleep patient flow that was previously impacted by the pandemic and increased demand following a recent product recall by one of our competitors, partially offset by decreased COVID-19 related demand for our ventilators.

Net revenue from our Sleep and Respiratory Care business in the United States, Canada and Latin America for the year ended June 30, 2022 increased to $1,981.8 million from $1,705.1 million for the year ended June 30, 2021, an increase of $276.7 million or 16%. The increase was primarily due to an increase in unit sales of our devices and masks, including recovery of core sleep patient flow that was previously impacted by the pandemic and increased demand following a recent product recall by one of our competitors, partially offset by decreased COVID-19 related demand for our ventilators.

Net revenue from our Sleep and Respiratory Care business in combined Europe, Asia and other markets increased for the year ended June 30, 2022 to $1,195.5 million from $1,118.1 million for the year ended June 30, 2021, an increase of $77.4 million or 7% (an increase of 11% on a constant currency basis). The constant currency increase in sales in combined Europe, Asia and other markets predominantly reflects an increase in unit sales of our devices and masks, including

recovery of core sleep patient flow that was previously impacted by the pandemic, partially offset by decreased COVID-19-related demand for our ventilators.

Net revenue from devices for the year ended June 30, 2022 increased to $1,866.9 million from $1,610.0 million for the year ended June 30, 2021, an increase of $256.9 million or 16%, including an increase of 24% in the United States, Canada and Latin America and an increase of 7% in combined Europe, Asia and other markets (a 10% increase on a constant currency basis). Excluding the impact of foreign currency movements, device sales for the year ended June 30, 2022 increased by 17%.

Net revenue from masks and other for the year ended June 30, 2022 increased to $1,310.4 million from $1,213.2 million for the year ended June 30, 2021, an increase of 8%, including an increase of 8% in the United States, Canada and Latin America and an increase of 7% in combined Europe, Asia and other markets (a 12% increase on a constant currency basis). Excluding the impact of foreign currency movements, masks and other sales increased by 9%, compared to the year ended June 30, 2021.

Software as a Service

Net revenue from our SaaS business for the year ended June 30, 2022 was $400.8 million, compared to $373.6 million for the year ended June 30, 2021, an increase of $27.2 million or 7%. The increase was predominantly due to continued growth in our HME and Home Health and Hospice verticals, in addition to stabilizing patient flow in our Facilities vertical.

Gross Profit and Gross Margin. Gross profit increased for the year ended June 30, 2022 to $2,024.3 million from $1,839.1 million for the year ended June 30, 2021, an increase of $185.2 million or 10%. Gross margin, which is gross profit as a percentage of net revenue, was 56.6% for the year ended June 30, 2022, compared with the 57.5% for the year ended June 30, 2021. The decrease in gross margin was due primarily to higher logistics and manufacturing costs, partially offset by favorable changes in product mix as we sold an increased proportion of higher acuity devices, in addition to higheraverage selling prices.

Operating Expenses

The following table summarizes our operating expenses (in thousands):

	Year Ended June 30,				
	2022	2021	Change	% Change	Constant Currency
Selling, general, and administrative	$ 739,372	$ 670,387	$ 68,985	10 %	12 %
as a % of net revenue	20.7 %	21.0 %			
Research and development	253,575	225,284	28,291	13 %	14 %
as a % of net revenue	7.1 %	7.0 %			
Amortization of acquired intangible assets	31,078	31,078	Nil	Nil	Nil

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the year ended June 30, 2022 to $739.4 million from $670.4 million for the year ended June 30, 2021, an increase of $69.0 million or 10%. Selling, general and administrative expenses, as reported in U.S. dollars, were favorably impacted by the movement of international currencies against the U.S. dollar, which decreased our expenses by approximately $13.3 million. Excluding the impact of foreign currency movements, selling, general and administrative expenses for the year ended June 30, 2022 increased by 12% compared to the year ended June 30, 2021. As a percentage of net revenue, selling, general and administrative expenses for the year ended June 30, 2022 improved to 20.7% compared to 21.0% for the year ended June 30, 2021.

The constant currency increase in selling, general and administrative expenses was primarily due to increases in employee-related costs for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Research and Development Expenses

Research and development expenses increased for the year ended June 30, 2022 to $253.6 million from $225.3 million for the year ended June 30, 2021, an increase of $28.3 million or 13%. Research and development expenses were favorably

impacted by the movement of international currencies against the U.S. dollar, which decreased our expenses by approximately $3.0 million, as reported in U.S. dollars. Excluding the impact of foreign currency movements, research and development expenses for the year ended June 30, 2022 increased by 14% compared to the year ended June 30, 2021. As a percentage of net revenue, research and development expenses were 7.1% for the year ended June 30, 2022 compared to 7.0% for the year ended June 30, 2021.

The constant currency increase in research and development expenses was primarily due to increased investment in our digital health technologies and SaaS solutions.

Amortization of Acquired Intangible Assets

Amortization of acquired intangible assets was consistent at $31.1 million for the years ended the year ended June 30, 2022 and June 30, 2021.

Restructuring Expenses

In November 2020, we closed our Portable Oxygen Concentrator business, which was part of the Sleep and Respiratory Care segment. During the year ended June 30, 2021, we recognized restructuring expenses of $13.9 million primarily related to inventory write-downs of $5.2 million, accelerated amortization of acquired intangible assets of $5.1 million, asset impairments of $2.3 million, employee-related costs of $0.7 million and contract cancellation costs of $0.6 million. Of the total expense recognized during the year ended June 30, 2021, the inventory write-down of $5.2 million is presented within cost of sales and the remaining $8.7 million in restructuring costs is separately disclosed as restructuring expenses on the consolidated statements of income. We do not expect to incur additional expenses in connection with this activity in the future.

Total Other Income (Loss), Net

The following table summarizes our other income (loss) (in thousands):

	Year Ended June 30,		
	2022	2021	Change
Interest (expense) income, net	$ (22,312)	$ (23,627)	$ 1,315
Loss attributable to equity method investments	(8,486)	(11,205)	2,719
Gain (loss) on equity investments	(12,202)	14,515	(26,717)
Other, net	3,197	301	2,896
Total other income (loss), net	$ (39,803)	$ (20,016)	$ (19,787)

Total other income (loss), net for the year ended June 30, 2022 was a loss of $39.8 million, compared to a loss of $20.0 million for the year ended June 30, 2021. The increase in loss was primarily due to losses associated with our investments in marketable and non-marketable equity securities, which were a loss of $12.2 million for the year ended June 30, 2022 compared to a gain of $14.5 million for the year ended June 30, 2021. This was partially offset by lower losses attributable to equity method investments for the year ended June 30, 2022 of $8.5 million compared to $11.2 million for the year ended June 30, 2021. Additionally, interest expense, net, decreased to $22.3 million for the year ended June 30, 2022 compared to $23.6 million for the year ended June 30, 2021.

Income Taxes

Our effective income tax rate decreased to 18.8% for the year ended June 30, 2022 from 46.3% for the year ended June 30, 2021. Our effective rate of 18.8% for the year ended June 30, 2022 differs from the statutory rate of 21.0% primarily due to research credits, foreign operations and windfall tax benefits related to the vesting or settlement of employee share-based awards.

The decrease in our effective tax rate for the year ended June 30, 2022 was primarily related to the decrease in unrecognized tax benefits recorded in connection with the Australian Tax Office ("ATO") transfer pricing dispute, outlined below. Excluding the impact of the unrecognized tax benefit, our effective income tax rate for the year ended June 30, 2021 was 18.2%. The increase in our effective tax rate, excluding the impact of the unrecognized tax benefit for the year ended June 30, 2021, was due to a change in the geographic mix of earnings for the year ended June 30, 2022.

On September 19, 2021, we concluded the settlement agreement with the ATO in relation to the previously disclosed transfer pricing dispute for the tax years 2009 through 2018 ("ATO settlement"). The ATO settlement fully resolved the dispute for all prior years, with no admission of liability and provides clarity in relation to certain future taxation principles.

The final net impact of the ATO settlement was $238.7 million, which represents a gross amount of $381.7 million, including interest and penalties of $48.1 million, and adjustments for credits and deductions of $143.0 million. As a result of the ATO settlement and due to movements in foreign currencies, we recorded a benefit of $14.1 million within other comprehensive income, and a $4.1 million reduction of tax credits, which was recorded to income tax expense. As a result of the ATO settlement, we reversed our previously recorded uncertain tax position.

On September 28, 2021, we remitted final payment to the ATO of $284.8 million, consisting of the agreed settlement amount of $381.7 million less prior remittances made to the ATO of $96.9 million.

Our Singapore operations operate under certain tax holidays and tax incentive programs that will expire in whole or in part at various dates through June 30, 2030. As a result of the U.S. Tax Act, we treated all non-U.S. historical earnings as taxable during the year ended June 30, 2018. Therefore, future repatriation of cash held by our non-U.S. subsidiaries will generally not be subject to U.S. federal tax, if repatriated.

Net Income and Earnings per Share

As a result of the factors above, our net income for the year ended June 30, 2022 was $779.4 million compared to net income of $474.5 million for the year ended June 30, 2021. Our earnings per diluted share for the year ended June 30, 2022 was $5.30 compared to $3.24 for the year ended June 30, 2021, an increase of 64%. Unrecognized tax benefits as described at Note 13 – Income Taxes reduced our diluted earnings per share for the year ended June 30, 2021 by $1.70 per share.

Summary of Non-GAAP Financial Measures

In addition to financial information prepared in accordance with GAAP, our management uses certain non-GAAP financial measures, such as non-GAAP revenue, non-GAAP cost of sales, non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, non-GAAP net income, and non-GAAP diluted earnings per share, in evaluating the performance of our business. We believe that these non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide investors better insight when evaluating our performance from core operations and can provide more consistent financial reporting across periods. For these reasons, we use non-GAAP information internally in planning, forecasting, and evaluating the results of operations in the current period and in comparing it to past periods. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for, GAAP financial measures. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. Non-GAAP financial measures as presented herein may not be comparable to similarly titled measures used by other companies.

The measure "non-GAAP cost of sales" is equal to GAAP cost of sales less amortization of acquired intangible assets relating to cost of sales and restructuring expense associated with inventory write-downs following the closure of the portable oxygen concentrator business. The measure "non-GAAP gross profit" is the difference between GAAP net revenue and non-GAAP cost of sales, and "non-GAAP gross margin" is the ratio of non-GAAP gross profit to GAAP net revenue.

These non-GAAP measures are reconciled to their most directly comparable GAAP financial measures below (in thousands, except percentages):

	Year Ended June 30,	
	2022	2021
GAAP Net revenue	$ 3,578,127	$ 3,196,825
GAAP Cost of sales	$ 1,553,816	$ 1,357,725
Less: Amortization of acquired intangibles	(39,650)	(45,127)
Less: Restructuring - cost of sales	—	(5,232)
Non-GAAP cost of sales	$ 1,514,166	$ 1,307,366
GAAP gross profit	$ 2,024,311	$ 1,839,100
GAAP gross margin	56.6 %	57.5 %
Non-GAAP gross profit	$ 2,063,961	$ 1,889,459
Non-GAAP gross margin	57.7 %	59.1 %

The measure "non-GAAP income from operations" is equal to GAAP income from operations once adjusted for amortization of acquired intangibles, acquisition-related expenses and restructuring expense associated with the closure of the portable oxygen concentrator business. Non-GAAP income from operations is reconciled with GAAP income from operations below (in thousands):

	Year Ended June 30,	
	2022	2021
GAAP income from operations	$ 1,000,286	$ 903,678
Amortization of acquired intangibles - cost of sales	39,650	45,127
Amortization of acquired intangibles - operating expenses	31,078	31,078
Acquisition-related expenses	1,864	—
Restructuring - cost of sales	—	5,232
Restructuring - operating expenses	—	8,673
Non-GAAP income from operations	$ 1,072,878	$ 993,788

The measure "non-GAAP net income" is equal to GAAP net income once adjusted for amortization of acquired intangibles (net of tax), acquisition-related expenses, reserve for disputed tax positions, restructuring expenses (net of tax) and (gain) loss on equity investments. The measure "non-GAAP diluted earnings per share" is the ratio of non-GAAP net income to diluted shares outstanding. These non-GAAP measures are reconciled to their most directly comparable GAAP financial measures below (in thousands, except for per share amounts):

	Year Ended June 30,	
	2022	2021
GAAP net income	$ 779,437	$ 474,505
Amortization of acquired intangibles - cost of sales, net of tax	30,095	34,642
Amortization of acquired intangibles - operating expenses, net of tax	23,589	23,857
Acquisition-related expenses	1,864	—
Reserve for disputed tax positions	4,111	248,773
Restructuring - cost of sales, net of tax	—	4,663
Restructuring - operating expenses, net of tax	—	7,730
(Gain) loss on equity investments	11,675	(13,549)
Non-GAAP net income	$ 850,771	$ 780,621
Diluted shares outstanding	147,043	146,451
GAAP diluted earnings per share	$ 5.30	$ 3.24
Non-GAAP diluted earnings per share	$ 5.79	$ 5.33

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from operations and access to our revolving credit facility. Our primary uses of cash have been for research and development activities, selling and marketing activities, capital expenditures, strategic acquisitions and investments, dividend payments and repayment of debt obligations. We expect that cash provided by operating activities may fluctuate in future periods as a result of several factors, including fluctuations in our operating results, which include impacts from the COVID-19 pandemic, supply chain disruptions, working capital requirements and capital deployment decisions.

Our future capital requirements will depend on many factors including our growth rate in net revenue, third-party reimbursement of our products for our customers, the timing and extent of spending to support research development efforts, the expansion of selling, general and administrative activities, the timing of introductions of new products, the expenditures associated with possible future acquisitions, investments or other business combination transactions, including our pending acquisition of MEDIFOX DAN, and impacts from the COVID-19 pandemic. As we assess inorganic growth strategies, we may need to supplement our internally generated cash flow with outside sources. If we are required to access the debt market, we believe that we will be able to secure reasonable borrowing rates. As part of our liquidity strategy, we will continue to monitor our current level of earnings and cash flow generation as well as our ability to access the market considering those earning levels.

As of June 30, 2022 and June 30, 2021, we had cash and cash equivalents of $273.7 million and $295.3 million, respectively. Our cash and cash equivalents held within the United States at June 30, 2022 and June 30, 2021 were $70.0 million and $106.7 million, respectively. Our remaining cash and cash equivalent balances at June 30, 2022 and June 30, 2021, were $203.7 million and $188.6 million, respectively. Our cash and cash equivalent balances are held at highly rated financial institutions.

As of June 30, 2022, we had $1.4 billion available for draw down under the revolving credit facility and a combined total of $1.7 billion in cash and available liquidity under the revolving credit facility.

We repatriated $100.0 million and $560.1 million to the United States during the years ended June 30, 2022 and 2021, respectively, from earnings generated in each of those years. The amount of the current year foreign earnings that we have repatriated to the United States in the past has been determined, and the amount that we expect to repatriate during fiscal year 2023 will be determined, based on a variety of factors, including current year earnings of our foreign subsidiaries, foreign investment needs and the cash flow needs we have in the United States, such as for the repayment of debt, dividend distributions, and other domestic obligations.

As a result of the U.S. Tax Act, we treated all non-U.S. historical earnings as taxable, which resulted in additional tax expense of $126.9 million which was payable over the proceeding eight years; the additional tax expense associated with the U.S. Tax Act was reduced to $94.2 million during the current year as a result of the ATO Settlement discussed in Note 13 – Income Taxes of the Notes to the Consolidated Financial Statements (Part II, Item 8). Therefore, future repatriation of

cash held by our non-U.S. subsidiaries will generally not be subject to U.S. federal tax if repatriated, except as discussed in Note 13 – Income Taxes of the Notes to the Consolidated Financial Statements (Part II, Item 8).

We believe that our current sources of liquidity will be sufficient to fund our operations, including expected capital expenditures, for the next 12 months and beyond.

Revolving Credit Agreement, Term Credit Agreement and Senior Notes

On June 29, 2022, we entered into a second amended and restated credit agreement (as amended from time to time, the "Revolving Credit Agreement"). The Revolving Credit Agreement, among other things, provided a senior unsecured revolving credit facility of $1,500.0 million, with an uncommitted option to increase the revolving credit facility by an additional amount equal to the greater of $1,000.0 million and 1.00 times the EBITDA for the trailing twelve-month measurement period. Additionally, on June 29, 2022, ResMed Pty Limited entered into a Second Amendment to the Syndicated Facility Agreement (the "Term Credit Agreement"). The Term Credit Agreement, among other things, provides ResMed Limited a senior unsecured term credit facility of $200.0 million. The Revolving Credit Agreement and Term Credit Agreement each terminate on Jun 29, 2027, when all unpaid principal and interest under the loans must be repaid. As of June 30, 2022, we had $1.4 billion available for draw down under the revolving credit facility.

On July 10, 2019, we entered into a Note Purchase Agreement with the purchasers to that agreement, in connection with the issuance and sale of $250.0 million principal amount of our 3.24% senior notes due July 10, 2026, and $250.0 million principal amount of our 3.45% senior notes due July 10, 2029 ("Senior Notes").

On June 30, 2022, there was a total of $780.0 million outstanding under the Revolving Credit Agreement, Term Credit Agreement and Senior Notes. We expect to satisfy all of our liquidity and long-term debt requirements through a combination of cash on hand, cash generated from operations and debt facilities.

Cash Flow Summary

The following table summarizes our cash flow activity (in thousands):

	Year Ended June 30,	
	2022	2021
Net cash provided by operating activities	$ 351,147	$ 736,718
Net cash used in investing activities	(229,918)	(158,462)
Net cash used in financing activities	(128,363)	(764,632)
Effect of exchange rate changes on cash	(14,434)	18,498
Net decrease in cash and cash equivalents	$ (21,568)	$ (167,878)

Operating Activities

Cash provided by operating activities was $351.1 million for the twelve months ended June 30, 2022, compared to cash provided of $736.7 million for the twelve months ended June 30, 2021. The $385.6 million decrease in cash flow from operations was primarily due to the payment of our tax settlement with the ATO of $284.8 million and greater purchases and prepayments of inventory to secure adequate components for the increasing sales demand, partly offset by an increase in operating profit and other net changes in working capital balances compared to the twelve months ended June 30, 2021.

Investing Activities

Cash used in investing activities was $229.9 million for the twelve months ended June 30, 2022, compared to cash used of $158.5 million for the twelve months ended June 30, 2021. The $71.5 million increase in cash flow used in investing activities was primarily due to an increase in purchases of property, plant and equipment and an increase in payments on maturity of foreign currency contracts compared to the twelve months ended June 30, 2021.

Financing Activities

Cash used in financing activities was $128.4 million for the twelve months ended June 30, 2022, compared to cash used of $764.6 million for the twelve months ended June 30, 2021. The $636.3 million decrease in cash flow used in financing activities was primarily due to borrowing activity under our Revolving Credit Agreement.

Dividends

During the twelve months ended June 30, 2022, we paid cash dividends of $1.68 per common share totaling $245.3 million. On August 11, 2022, our board of directors declared a cash dividend of $0.44 per common share, to be paid on September 22, 2022, to shareholders of record as of the close of business on August 18, 2022. Future dividends are subject to approval by our board of directors.

Contractual Obligations and Commitments

Details of contractual obligations at June 30, 2022 are as follows (in thousands):

		Payments Due by June 30,					
	Total	2023	2024	2025	2026	2027	Thereafter
Debt	$ 781,946	$ 11,946	$ 10,000	$ 10,000	$ 10,000	$ 490,000	$ 250,000
Interest on debt	141,599	26,211	26,211	26,211	26,211	18,786	17,969
Operating leases	128,647	27,652	21,620	16,560	12,385	11,718	38,712
Purchase obligations	1,707,951	1,251,476	440,067	13,152	1,431	—	1,825
MEDIFOX DAN acquisition consideration	994,245	994,245	—	—	—	—	—
Total	$ 3,754,388	$ 2,311,530	$ 497,898	$ 65,923	$ 50,027	$ 520,504	$ 308,506

Details of other commercial commitments at June 30, 2022 are as follows (in thousands):

		Amount of Commitment Expiration Per Period					
	Total	2023	2024	2025	2026	2027	Thereafter
Standby letter of credit	$ 15,672	$ 3,827	$ 116	$ 56	$ —	$ —	$ 11,673
Guarantees*	2,007	1,516	79	57	316	—	39
Total	$ 17,679	$ 5,343	$ 195	$ 113	$ 316	$ —	$ 11,712

* These guarantees mainly relate to requirements under contractual obligations with insurance companies transacting with our German subsidiaries and guarantees provided under our facility leasing obligations.

Refer to Note 16 - Legal Actions, Contingencies and Commitments of the Notes to the Consolidated Financial Statements (Part II, Item 8) for details of our contingent obligations under recourse provisions.

Segment Information

We have determined that we have two operating segments, which are the Sleep and Respiratory Care segment and the SaaS segment. See Note 14 – Segment Information of the Notes to the Consolidated Financial Statements (Part II, Item 8) for financial information regarding segment reporting. Financial information about our revenues from and assets located in foreign countries is also included in the notes to the consolidated financial statements included in this report.

Critical Accounting Principles and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis we evaluate our estimates, including those related to allowance for doubtful accounts, inventory reserves, warranty obligations, goodwill, potentially impaired assets, intangible assets, income taxes and contingencies.

We state these accounting policies in the notes to the financial statements and at relevant sections in this discussion and analysis. The estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could vary from those estimates under different assumptions or conditions.

We believe that the following critical accounting policies affect the more significant judgments and estimates used in the preparation of our consolidated financial statements:

(1) Valuation of Goodwill, Intangible and Other Long-Lived Assets. We make assumptions in establishing the carrying value, fair value and estimated lives of our goodwill, intangibles and other long-lived assets. Our goodwill impairment tests are performed at our reporting unit level, which is one level below our operating segments. The criteria used for these evaluations include management's estimate of the asset's continuing ability to generate positive income from operations and positive cash flow in future periods compared to the carrying value of the asset, as well as the strategic significance of any identifiable intangible asset in our business objectives. If assets are considered to be impaired, we recognize as an impairment the amount by which the carrying value of the assets exceeds their fair value, and for goodwill is limited to the value of goodwill allocated to the impaired reporting unit, as described in Step 1 below. Factors that would influence the likelihood of a material change in our reported results include significant changes in the asset's ability to generate positive cash flow, loss of legal ownership or title to the asset, a significant decline in the economic and competitive environment on which the asset depends, significant changes in our strategic business objectives, utilization of the asset, and a significant change in the economic and/or political conditions in certain countries.

We conduct an annual review for goodwill impairment at our reporting unit level based on the following steps:

Step 0 or Qualitative assessment – Evaluate qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The factors we consider include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance or events-specific to that reporting unit. If or when we determine it is more likely than not that the fair value of a reporting unit is less than the carrying amount, including goodwill, we would move to Step 1 of the quantitative method.

Step 1 – Compare the fair value for each reporting unit to its carrying value, including goodwill. Fair value is determined based on estimated discounted cash flows. A goodwill impairment charge is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. If a reporting unit's fair value exceeds the carrying value, no further work is performed and no impairment charge is necessary.

During the annual reviews for the years ended June 30, 2022, 2021 and 2020, we completed a Step 0 or Qualitative assessment and determined it was more likely than not that the fair value of our reporting units exceeded their carrying amounts, including goodwill, and therefore goodwill was not impaired.

(2) Income Tax. We assess our income tax positions and record tax benefits for all years subject to audit based upon management's evaluation of the facts, circumstances and information available at the reporting date. If we determine that it is not more likely than not that we would be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to income tax expense in the period such determination is made. Alternatively, if we determine that it is more likely than not that the net deferred tax assets would be realized, any previously provided valuation allowance is reversed. These changes to the valuation allowance and resulting increases or decreases in income tax expense may have a material effect on our operating results.

Our income tax returns are based on calculations and assumptions subject to audit by various tax authorities. In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws. We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes. Based on our regular

assessment, we may adjust the income tax provision and deferred taxes in the period in which the facts that give rise to a revision become known.

On September 19, 2021, we concluded the settlement agreement with the Australian Taxation Office ("ATO") in relation to the previously disclosed transfer pricing dispute for the tax years 2009 through 2018 ("ATO settlement"). The ATO settlement fully resolved the dispute for all prior years, with no admission of liability and provides clarity in relation to certain future taxation principles.

The final net impact of the ATO settlement was $238.7 million, which represents a gross amount of $381.7 million, including interest and penalties of $48.1 million, and adjustments for credits and deductions of $143.0 million. As a result of the ATO settlement and due to movements in foreign currencies, we recorded a benefit of $14.1 million within other comprehensive income, and a $4.1 million reduction of tax credits, which was recorded to income tax expense. As a result of the ATO settlement, we reversed our previously recorded uncertain tax position.

On September 28, 2021, we remitted final payment to the ATO of $284.8 million, consisting of the agreed settlement amount of $381.7 million less prior remittances made to the ATO of $96.9 million.

Tax years 2018 to 2021 remain subject to future examination by the major tax jurisdictions in which we are subject to tax.

(3) Revenue Recognition. We have determined that we have two operating segments, which are the sleep and respiratory disorders sector of the medical device industry ("Sleep and Respiratory Care") and the supply of business management software as a service to out-of-hospital health providers ("SaaS"). For products in our Sleep and Respiratory Care business, we transfer control and recognize a sale when products are shipped to the customer in accordance with the contractual shipping terms. For our SaaS business, revenue associated with professional services are recognized as they are provided. We defer the recognition of a portion of the consideration received when performance obligations are not yet satisfied. Consideration received from customers in advance of revenue recognition is classified as deferred revenue. Performance obligations resulting in deferred revenue in our Sleep and Respiratory Care business relate primarily to extended warranties on our devices and the provision of data for patient monitoring. Performance obligations resulting in deferred revenue in our SaaS business relate primarily to the provision of software access with maintenance and support over an agreed term and material rights associated with future discounts upon renewal of some SaaS contracts. Generally, deferred revenue will be recognized over a period of one to five years. Our contracts do not contain significant financing components.

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. In our Sleep and Respiratory Care segment, the amount of consideration received and revenue recognized varies with changes in marketing incentives (e.g. rebates, discounts, free goods) and returns offered to our customers and their customers. When we give customers the right to return eligible products and receive credit, returns are estimated based on an analysis of historical experience. However, returns of products, excluding warranty-related returns, are infrequent and insignificant. We adjust the estimate of revenue at the earlier of when the most likely amount of consideration can be estimated, the amount expected to be received changes, or when the consideration becomes fixed.

We offer our Sleep and Respiratory Care customers cash or product rebates based on volume or sales targets measured over quarterly or annual periods. We estimate rebates based on each customer's expected achievement of its targets. In accounting for these rebate programs, we reduce revenue ratably as sales occur over the rebate period by the expected value of the rebates to be returned to the customer. Rebates measured over a quarterly period are updated based on actual sales results and, therefore, no estimation is required to determine the reduction to revenue. For rebates measured over annual periods, we update our estimates on a quarterly basis based on actual sales results and updated forecasts for the remaining rebate periods.

We participate in programs where we issue credits to our Sleep and Respiratory Care distributors when they are required to sell our products below negotiated list prices if we have preexisting contracts with the distributors' customers. We reduce revenue for future credits at the time of sale to the distributor, which we estimate based on historical experience using the expected value method.

We also offer discounts to both our Sleep and Respiratory Care as well as our SaaS customers as part of normal business practice and these are deducted from revenue when the sale occurs.

When Sleep and Respiratory Care or SaaS contracts have multiple performance obligations, we generally use an observable price to determine the stand-alone selling price by reference to pricing and discounting practices for the specific product or service when sold separately to similar customers. Revenue is then allocated proportionately, based on the determined stand-alone selling price, to each performance obligation. An allocation is not required for many of our Sleep and Respiratory Care contracts that have a single performance obligation, which is the shipment of our therapy-based equipment.

Recently Issued Accounting Pronouncements

See Note 3 – New Accounting Pronouncements of the Notes to Consolidated Financial Statements (Part II, Item 8) for a description of recently issued accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial positions and cash flows.

Off-Balance Sheet Arrangements

As of June 30, 2022, we are not involved in any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET AND BUSINESS RISKS

Foreign Currency Market Risk

Our reporting currency is the U.S. dollar, although the financial statements of our non-U.S. subsidiaries are maintained in their respective local currencies. We transact business in various foreign currencies, including a number of major European currencies as well as the Australian dollar. We have significant foreign currency exposure through both our Australian and Singapore manufacturing activities and international sales operations. We have established a foreign currency hedging program using purchased currency options and forward contracts to hedge foreign-currency-denominated financial assets, liabilities and manufacturing cash flows. The goal of this hedging program is to economically manage the financial impact of foreign currency exposures predominantly denominated in euros, Australian dollars and Singapore dollars. Under this program, increases or decreases in our foreign-currency-denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments. We do not enter into financial instruments for trading or speculative purposes. The foreign currency derivatives portfolio is recorded in the consolidated balance sheets at fair value and included in Other assets current, Other assets non-current, Accrued expenses and Other liabilities non-current. All movements in the fair value of the foreign currency derivatives are recorded within Other income, net, on our consolidated statements of income.

The table below provides information (in U.S. dollars) on our significant foreign-currency-denominated financial assets by legal entity functional currency as of June 30, 2022 (in thousands):

	U.S. Dollar (USD)	Euro (EUR)	Canadian Dollar (CAD)	Chinese Yuan (CNY)
AUD Functional:				
Net Assets/(Liabilities)	105,745	(50,884)	—	16,913
Foreign Currency Hedges	(60,000)	31,397	—	(11,941)
Net Total	45,745	(19,487)	—	4,972
USD Functional:				
Net Assets/(Liabilities)	—	—	15,619	—
Foreign Currency Hedges	—	—	(19,423)	—
Net Total	—	—	(3,804)	—
SGD Functional:				
Net Assets/(Liabilities)	373,198	14,852	—	882
Foreign Currency Hedges	(385,000)	—	—	—
Net Total	(11,802)	14,852	—	882

The table below provides information about our foreign currency derivative financial instruments and presents the information in U.S. dollar equivalents. The table summarizes information on instruments and transactions that are sensitive to foreign currency exchange rates, including foreign currency call options, collars and forward contracts held at June 30, 2022. The table presents the notional amounts and weighted average exchange rates by contractual maturity dates for our

foreign currency derivative financial instruments. These notional amounts generally are used to calculate payments to be exchanged under the options contracts (in thousands, except exchange rates):

				Fair Value Assets / (Liabilities)	
Foreign Exchange Contracts	**Year 1**	**Year 2**	**Total**	**June 30, 2022**	**June 30, 2021**
USD/AUD					
Contract amount	60,000	—	60,000	(190)	(652)
Ave. contractual exchange rate	USD 1 = AUD 0.6928		USD 1 = AUD 0.6928		
AUD/EUR					
Contract amount	88,959	15,699	104,658	(413)	1,172
Ave. contractual exchange rate	AUD 1 = EUR 0.6867	AUD 1 = EUR 0.6800	AUD 1 = EUR 0.6857		
SGD/EUR					
Contract amount	20,931	—	20,931	71	(88)
Ave. contractual exchange rate	SGD 1 = Euro 0.7117	—	SGD 1 = Euro 0.7117		
SGD/USD					
Contract amount	385,000	—	385,000	(1,172)	(177)
Ave. contractual exchange rate	SGD 1 = USD 0.7216		SGD 1 = USD 0.7216		
AUD/CNY					
Contract amount	11,941	—	11,941	(37)	(130)
Ave. contractual exchange rate	AUD 1 = CNY 4.6449		AUD 1 = CNY 4.6449		
EUR/USD					
Contract amount	—	—	—	—	169
Ave. contractual exchange rate	USD 1 = EUR		USD 1 = EUR		
USD/CAD					
Contract amount	19,423	—	19,423	(46)	(44)
Ave. contractual exchange rate	USD 1 = CAD 1.2902		USD 1 = CAD 1.2902		

Interest Rate Risk

We are exposed to risk associated with changes in interest rates affecting the return on our cash and cash equivalents and debt. At June 30, 2022, we held cash and cash equivalents of $273.7 million principally comprising of bank term deposits and at-call accounts and are invested at both short-term fixed interest rates and variable interest rates. At June 30, 2022, there was $280.0 million outstanding under the revolving credit and term loan facilities, which were subject to variable interest rates. A hypothetical 10% change in interest rates during the year ended June 30, 2022, would not have had a material impact on pretax income. We have no interest rate hedging agreements. On July 10, 2019, we entered into the Note Purchase Agreement with the purchasers to that agreement, in connection with the issuance and sale of $250.0 million principal amount of our 3.24% senior notes due July 10, 2026, and $250.0 million principal amount of our 3.45% senior notes due July 10, 2029. The interest rate on these notes is fixed and not subject to fluctuation.

Inflation

Inflationary factors such as increases in the cost of our products, freight, overhead costs or wage rates may adversely affect our operating results. Sustained inflationary pressures in the future may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of net revenue if we are unable to offset such higher costs through price increases.

ITEM 8 CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is incorporated by reference to the financial statements set forth in Item 15 of Part IV of this report, "Exhibits and Consolidated Financial Statement Schedules."

(a) Index to Consolidated Financial Statements

(b) Supplementary Data

Quarterly Financial Information (unaudited)—The quarterly results for the years ended June 30, 2022 and 2021 are summarized below (in thousands, except per share amounts):

2022	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Net revenue	$ 904,015	$ 894,874	$ 864,500	$ 914,737	$ 3,578,127
Gross profit	506,289	504,318	491,197	522,506	2,024,311
Net income	203,613	201,751	179,012	195,061	779,437
Basic earnings per share	1.40	1.38	1.22	1.33	5.34
Diluted earnings per share	1.39	1.37	1.22	1.33	5.30

2021	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Net revenue	$ 751,944	$ 800,011	$ 768,767	$ 876,103	$ 3,196,825
Gross profit	438,661	462,483	447,258	490,696	1,839,100
Net income (loss)	178,372	179,514	(78,481)	195,098	474,505
Basic earnings (loss) per share	1.23	1.24	(0.54)	1.34	3.27
Diluted earnings (loss) per share	1.22	1.23	(0.54)	1.33	3.24

Note: the amounts for each quarter are computed independently and, due to the computation formula, the sum of the four quarters may not equal the year.

RESMED INC. AND SUBSIDIARIES

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
ResMed Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of ResMed Inc. and subsidiaries (the Company) as of June 30, 2022 and 2021, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2022, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated August 11, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of goodwill triggering events

As discussed in Notes 2(i) and 5 to the consolidated financial statements, the Company's goodwill balance was $1,936 million as of June 30, 2022. The Company performs goodwill impairment testing on an annual basis and whenever events or changes in circumstances indicate that the carrying value of a reporting unit, including goodwill, might exceed the fair value of the reporting unit. In the current year, the Company performed qualitative, or Step 0, assessments to determine whether there was a greater than 50 percent likelihood that the fair value of each reporting unit was less than its carrying value. After completing Step 0, the Company determined that goodwill was not more likely than not impaired and, therefore, no Step 1, or quantitative assessment, was necessary.

We identified the evaluation of goodwill triggering events as a critical audit matter. The evaluation of potential triggering events, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, market capitalization and events specific to the entity and reporting units, required a higher degree of auditor judgment. These potential triggering events could have a significant effect on the Company's Step 0 assessment and the determination of whether further quantitative analysis of goodwill impairment was required.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the evaluation of goodwill impairment. This included a control related to the Company's assessment of potential goodwill triggering events. We evaluated the Company's Step 0 assessment for its reporting units by:

- considering macroeconomic conditions including gross domestic product, labor market, and inflation by key regions around the world for negative indicators
- evaluating information from analyst reports in the enterprise software and sleep and respiratory care industries, which were compared to industry and market considerations used by the Company
- analyzing information including changes in the costs of raw materials and labor, the financial performance of the reporting units, the Company's market capitalization, and other entity and reporting-unit specific events.

/s/ KPMG LLP

We have served as the Company's auditor since 1994.

San Diego, California
August 11, 2022

RESMED INC. AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2022 and 2021
(In US$ and in thousands, except share and per share data)

	June 30, 2022	June 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 273,710	$ 295,278
Accounts receivable, net of allowances of $ 23,259 and $ 32,138 at June 30, 2022 and June 30, 2021, respectively	575,950	614,292
Inventories (note 4)	743,910	457,033
Prepaid expenses and other current assets (note 4)	337,908	208,154
Total current assets	1,931,478	1,574,757
Non-current assets:		
Property, plant and equipment, net (note 4)	498,181	463,490
Operating lease right-of-use assets (note 10)	132,314	128,575
Goodwill (note 5)	1,936,442	1,927,901
Other intangible assets, net (note 5)	345,944	392,582
Deferred income taxes (note 13)	79,746	79,904
Prepaid taxes and other non-current assets	171,748	160,916
Total non-current assets	3,164,375	3,153,368
Total assets	$ 5,095,853	$ 4,728,125
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 159,245	$ 138,008
Accrued expenses (note 7)	344,722	320,599
Operating lease liabilities, current (note 10)	21,856	23,585
Deferred revenue	108,667	109,611
Income taxes payable (note 13)	44,893	307,963
Short-term debt, net (note 9)	9,916	12,000
Total current liabilities	689,299	911,766
Non-current liabilities:		
Deferred revenue	95,455	91,496
Deferred income taxes (note 13)	9,714	11,319
Operating lease liabilities, non-current (note 10)	120,453	114,779
Other long-term liabilities	5,974	6,802
Long-term debt, net (note 9)	765,325	643,351
Long-term income taxes payable (note 13)	48,882	62,933
Total non-current liabilities	1,045,803	930,680
Total liabilities	1,735,102	1,842,446
Commitments and contingencies (note 16)		
Stockholders' equity:		
Preferred stock, $ 0.01 par value, 2,000,000 shares authorized; none issued	—	—
Common stock, $ 0.004 par value, 350,000,000 shares authorized; 188,246,955 issued and 146,410,721 outstanding at June 30, 2022 and 187,484,592 issued and 145,648,358 outstanding at June 30, 2021	586	583
Additional paid-in capital	1,682,432	1,622,199
Retained earnings	3,613,736	3,079,640
Treasury stock, at cost, 41,836,234 shares at June 30, 2022 and June 30, 2021	(1,623,256)	(1,623,256)
Accumulated other comprehensive loss	(312,747)	(193,487)
Total stockholders' equity	3,360,751	2,885,679
Total liabilities and stockholders' equity	$ 5,095,853	$ 4,728,125

See accompanying notes to consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Consolidated Statements of Income
Years Ended June 30, 2022, 2021 and 2020
(In US$ and in thousands, except share and per share data)

	June 30, 2022	June 30, 2021	June 30, 2020
Net revenue - Sleep and Respiratory Care products	$ 3,177,298	$ 2,823,235	$ 2,602,381
Net revenue - Software as a Service	400,829	373,590	354,632
Net revenue	3,578,127	3,196,825	2,957,013
Cost of sales - Sleep and Respiratory Care products	1,365,421	1,177,309	1,067,967
Cost of sales - Software as a Service	148,745	135,289	121,657
Cost of sales (exclusive of amortization shown separately below)	1,514,166	1,312,598	1,189,624
Amortization of acquired intangible assets - Sleep and Respiratory Care products	4,105	4,895	8,584
Amortization of acquired intangible assets - Software as a Service	35,545	40,232	41,019
Amortization of acquired intangible assets	39,650	45,127	49,603
Total cost of sales	1,553,816	1,357,725	1,239,227
Gross profit	2,024,311	1,839,100	1,717,786
Selling, general, and administrative	739,372	670,387	676,689
Research and development	253,575	225,284	201,946
Amortization of acquired intangible assets	31,078	31,078	30,092
Restructuring expenses (note 17)	—	8,673	—
Litigation settlement expenses	—	—	(600)
Total operating expenses	1,024,025	935,422	908,127
Income from operations	1,000,286	903,678	809,659
Other income (loss), net:			
Interest (expense) income, net	(22,312)	(23,627)	(39,356)
Loss attributable to equity method investments (note 6)	(8,486)	(11,205)	(25,058)
Gain (loss) on equity investments (note 6)	(12,202)	14,515	(14,519)
Other, net	3,197	301	2,362
Total other income (loss), net	(39,803)	(20,016)	(76,571)
Income before income taxes	960,483	883,662	733,088
Income taxes (note 13)	181,046	409,157	111,414
Net income	$ 779,437	$ 474,505	$ 621,674
Basic earnings per share (note 12)	$ 5.34	$ 3.27	$ 4.31
Diluted earnings per share (note 12)	$ 5.30	$ 3.24	$ 4.27
Dividend declared per share	$ 1.68	$ 1.56	$ 1.56
Basic shares outstanding (000's)	146,066	145,313	144,338
Diluted shares outstanding (000's)	147,043	146,451	145,652

See accompanying notes to consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years Ended June 30, 2022, 2021 and 2020
(In US$ and in thousands)

	2022	2021	2020
Net income	$ 779,437	$ 474,505	$ 621,674
Other comprehensive income (loss):			
Foreign currency translation (loss) gain adjustments	(119,260)	90,495	(30,973)
Comprehensive income	$ 660,177	$ 565,000	$ 590,701

See accompanying notes to consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
Years ended June 30, 2022, 2021 and 2020
(In US$ and in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount		Shares	Amount			
Balance, June 30, 2019	**185,491**	**$ 575**	**$ 1,511,473**	**(41,836)**	**$ (1,623,256)**	**$ 2,436,410**	**$ (253,009)**	**$ 2,072,193**
Common stock issued on exercise of options (note 11)	350	1	19,986	—	—	—	—	19,987
Common stock issued on vesting of restricted stock units, net of shares withheld for tax (note 11)	617	3	(46,061)	—	—	—	—	(46,058)
Common stock issued on employee stock purchase plan (note 11)	265	1	28,196	—	—	—	—	28,197
Stock-based compensation costs	—	—	57,100	—	—	—	—	57,100
Other comprehensive income (loss)	—	—	—	—	—	—	(30,973)	(30,973)
Net income	—	—	—	—	—	621,674	—	621,674
Dividends declared ($1.56 per common share)	—	—	—	—	—	(225,093)	—	(225,093)
Balance, June 30, 2020	**186,723**	**$ 580**	**$ 1,570,694**	**(41,836)**	**$ (1,623,256)**	**$ 2,832,991**	**$ (283,982)**	**$ 2,497,027**
Common stock issued on exercise of options (note 11)	64	—	3,954	—	—	—	—	3,954
Common stock issued on vesting of restricted stock units, net of shares withheld for tax (note 11)	469	2	(50,209)	—	—	—	—	(50,207)
Common stock issued on employee stock purchase plan (note 11)	229	1	33,833	—	—	—	—	33,834
Stock-based compensation costs	—	—	63,927	—	—	—	—	63,927
Other comprehensive income (loss)	—	—	—	—	—	—	90,495	90,495
Net income	—	—	—	—	—	474,505	—	474,505
Cumulative effect adjustment from adoption of the credit loss standard, net of tax	—	—	—	—	—	(1,143)	—	(1,143)
Dividends declared ($1.56 per common share)	—	—	—	—	—	(226,713)	—	(226,713)
Balance, June 30, 2021	**187,485**	**$ 583**	**$ 1,622,199**	**(41,836)**	**$ (1,623,256)**	**$ 3,079,640**	**$ (193,487)**	**$ 2,885,679**
Common stock issued on exercise of options (note 11)	177	—	11,205	—	—	—	—	11,205
Common stock issued on vesting of restricted stock units, net of shares withheld for tax (note 11)	369	2	(52,408)	—	—	—	—	(52,406)
Common stock issued on employee stock purchase plan (note 11)	216	1	36,179	—	—	—	—	36,180
Stock-based compensation costs	—	—	65,257	—	—	—	—	65,257
Other comprehensive income (loss)	—	—	—	—	—	—	(119,260)	(119,260)
Net income	—	—	—	—	—	779,437	—	779,437
Dividends declared ($1.68 per common share)	—	—	—	—	—	(245,341)	—	(245,341)
Balance, June 30, 2022	**188,247**	**$ 586**	**$ 1,682,432**	**(41,836)**	**$ (1,623,256)**	**$ 3,613,736**	**$ (312,747)**	**$ 3,360,751**

See accompanying notes to consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended June 30, 2022, 2021 and 2020
(In US$ and in thousands)

	June 30, 2022	June 30, 2021	June 30, 2020
Cash flows from operating activities:			
Net income	$ 779,437	$ 474,505	$ 621,674
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	159,609	156,758	154,850
Amortization of right-of-use assets	34,232	34,760	26,523
Stock-based compensation costs (note 11)	65,257	63,927	57,559
Loss attributable to equity method investments (note 6)	8,486	11,205	25,058
(Gain) loss on equity investments (note 6)	12,202	(14,515)	14,519
Restructuring expenses (note 17)	—	8,673	—
Changes in fair value of business combination contingent consideration	—	—	(7)
Changes in operating assets and liabilities:			
Accounts receivable	19,346	(129,195)	54,383
Inventories	(311,681)	(21,954)	(69,881)
Prepaid expenses, net deferred income taxes and other current assets	(168,109)	(58,154)	(58,999)
Accounts payable, accrued expenses and other	(247,632)	210,708	(23,424)
Net cash provided by operating activities	351,147	736,718	802,255
Cash flows from investing activities:			
Purchases of property, plant and equipment	(134,835)	(102,712)	(95,330)
Patent registration costs	(21,201)	(14,114)	(10,608)
Business acquisitions, net of cash acquired	(42,784)	(39,067)	(27,910)
Purchases of investments (note 6)	(20,724)	(21,788)	(31,616)
Proceeds from sale of investment (note 6)	6,802	—	—
(Payments) / proceeds on maturity of foreign currency contracts	(17,176)	19,219	(14,397)
Net cash used in investing activities	(229,918)	(158,462)	(179,861)
Cash flows from financing activities:			
Proceeds from issuance of common stock, net	47,384	37,790	48,182
Taxes paid related to net share settlement of equity awards	(52,406)	(50,209)	(46,061)
Payments of business combination contingent consideration	—	(3,500)	(302)
Proceeds from borrowings, net of borrowing costs	288,000	90,000	1,190,000
Repayment of borrowings	(166,000)	(612,000)	(1,284,012)
Dividends paid	(245,341)	(226,713)	(225,093)
Net cash used in financing activities	(128,363)	(764,632)	(317,286)
Effect of exchange rate changes on cash	(14,434)	18,498	10,920
Net increase (decrease) in cash and cash equivalents	(21,568)	(167,878)	316,028
Cash and cash equivalents at beginning of period	295,278	463,156	147,128
Cash and cash equivalents at end of period	$ 273,710	$ 295,278	$ 463,156
Supplemental disclosure of cash flow information:			
Income taxes paid, net of refunds	$ 478,120	$ 221,359	$ 180,359
Interest paid	$ 22,312	$ 23,989	$ 40,377
Fair value of assets acquired, excluding cash	$ 15,648	$ 16,671	$ 14,919
Liabilities assumed	(4,672)	(1,543)	(4,292)
Goodwill on acquisition	38,953	24,671	20,375
Previously held equity interest	(4,078)	—	—
Deferred payments	(3,067)	3,768	408
Fair value of contingent consideration		—	(3,500)
Cash paid for acquisitions	$ 42,784	$ 43,567	$ 27,910

See accompanying notes to consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(1) Organization and Basis of Presentation

ResMed Inc. (referred to herein as "we", "us", "our" or the "Company") is a Delaware corporation formed in March 1994 as a holding company for the ResMed Group. Through our subsidiaries, we design, manufacture and market equipment for the diagnosis and treatment of sleep-disordered breathing and other respiratory disorders, including obstructive sleep apnea. Our manufacturing operations are located in Australia, Singapore, Malaysia, France, China and the United States. Major distribution and sales sites are located in the United States, Germany, France, the United Kingdom, Switzerland, Australia, Japan, China, Finland, Norway and Sweden. We also operate a Software as a Service ("SaaS") business in the United States that includes out-of-hospital software platforms designed to support the professionals and caregivers who help people stay healthy in the home or care setting of their choice.

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Certain prior period amounts have been reclassified to conform to the current period presentation. Actual results could differ from management's estimates.

(b) Revenue Recognition

In accordance with Accounting Standard Codification ("ASC") Topic 606, "Revenue from Contracts with Customers", we account for a contract with a customer when there is a legally enforceable contract, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. We have determined that we have two operating segments, which are the sleep and respiratory disorders sector of the medical device industry ("Sleep and Respiratory Care") and the supply of business management software as a service to out-of-hospital health providers ("SaaS"). Our Sleep and Respiratory Care revenue relates primarily to the sale of our products that are therapy-based equipment. Some contracts include additional performance obligations such as the provision of extended warranties and data for patient monitoring. Our SaaS revenue relates to the provision of software access with ongoing support and maintenance services as well as professional services such as training and consulting.

Disaggregation of revenue

See Note 14 – Segment Information for our net revenue disaggregated by segment, product and region for the years ended June 30, 2022, 2021 and 2020.

Performance obligations and contract balances

Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of risk and/or control of our products at a point in time. For products in our Sleep and Respiratory Care business, we transfer control and recognize a sale when products are shipped to the customer in accordance with the contractual shipping terms. For our SaaS business, revenue associated with professional services are recognized as they are provided. We defer the recognition of a portion of the consideration received when performance obligations are not yet satisfied. Consideration received from customers in advance of revenue recognition is classified as deferred revenue. Performance obligations resulting in deferred revenue in our Sleep and Respiratory Care business relate primarily to extended warranties on our devices and the provision of data for patient monitoring. Performance obligations resulting in deferred revenue in our SaaS business relate primarily to the provision of software access with maintenance and support over an agreed term and material rights associated with future discounts upon renewal of some SaaS contracts. Generally, deferred revenue will be recognized over a period of one year to five years. Our contracts do not contain significant financing components.

RESMED INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The following table summarizes our contract balances as of June 30, 2022 and 2021 (in thousands):

	2022	2021	Balance sheet caption
Contract assets			
Accounts receivable, net	$ 575,950	$ 614,292	Accounts receivable, net
Unbilled revenue, current	25,692	10,893	Prepaid expenses and other current assets
Unbilled revenue, non-current	8,840	6,214	Prepaid taxes and other non-current assets
Contract liabilities			
Deferred revenue, current	(108,667)	(109,611)	Deferred revenue (current liabilities)
Deferred revenue, non-current	(95,455)	(91,496)	Deferred revenue (non-current liabilities)

Transaction price determination

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. In our Sleep and Respiratory Care segment, the amount of consideration received and revenue recognized varies with changes in marketing incentives (e.g. rebates, discounts, free goods) and returns offered to our customers and their customers. When we give customers the right to return eligible products and receive credit, returns are estimated based on an analysis of historical experience. However, returns of products, excluding warranty-related returns, are infrequent and insignificant. We adjust the estimate of revenue at the earlier of when the most likely amount of consideration can be estimated, the amount expected to be received changes, or when the consideration becomes fixed.

We offer our Sleep and Respiratory Care customers cash or product rebates based on volume or sales targets measured over quarterly or annual periods. We estimate rebates based on each customer’s expected achievement of its targets. In accounting for these rebate programs, we reduce revenue ratably as sales occur over the rebate period by the expected value of the rebates to be returned to the customer. Rebates measured over a quarterly period are updated based on actual sales results and, therefore, no estimation is required to determine the reduction to revenue. For rebates measured over annual periods, we update our estimates on a quarterly basis based on actual sales results and updated forecasts for the remaining rebate periods.

We participate in programs where we issue credits to our Sleep and Respiratory Care distributors when they are required to sell our products below negotiated list prices if we have preexisting contracts with the distributors' customers. We reduce revenue for future credits at the time of sale to the distributor, which we estimate based on historical experience using the expected value method.

We also offer discounts to both our Sleep and Respiratory Care as well as our SaaS customers as part of normal business practice and these are deducted from revenue when the sale occurs.

When Sleep and Respiratory Care or SaaS contracts have multiple performance obligations, we generally use an observable price to determine the stand-alone selling price by reference to pricing and discounting practices for the specific product or service when sold separately to similar customers. Revenue is then allocated proportionately, based on the determined stand-alone selling price, to each performance obligation. An allocation is not required for many of our Sleep and Respiratory Care contracts that have a single performance obligation, which is the shipment of our therapy-based equipment.

Accounting and practical expedient elections

We have elected to account for shipping and handling activities associated with our Sleep and Respiratory Care segment as a fulfillment cost within cost of sales, and record shipping and handling costs collected from customers in net revenue. We have also elected for all taxes assessed by government authorities that are imposed on and concurrent with revenue-producing transactions, such as sales and value added taxes, to be excluded from revenue and presented on a net basis. We have adopted two practical expedients including the “right to invoice” practical expedient, which allows us to recognize revenue in the amount of the invoice when it corresponds directly with the value of performance completed to date and which is relevant for some of our SaaS contracts. The second practical expedient adopted permits relief from considering a significant financing component when the payment for the good or service is expected to be one year or less.

RESMED INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Concentration of Credit Risk and Significant Customers

Financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, derivatives and trade receivables. Our cash and cash equivalents are generally held with large, diverse financial institutions to reduce the amount of exposure to any single financial institution. Our derivative contracts are transacted with various financial institutions with high credit standings and any exposure to counterparty credit-related losses in these contracts is largely mitigated with collateralization and master-netting agreements. The risk with respect to trade receivables is mitigated by credit evaluations we perform on our customers, the short duration of our payment terms for the significant majority of our customer contracts and by the diversification of our customer base. No single customer accounted for 10% or more of our total revenues for any of the periods presented.

(d) Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We measure our financial instruments at fair value at each reporting period using a fair value hierarchy that requires that we maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs that are supported by little or no market activity.

The carrying value of cash equivalents, accounts receivable and accounts payable, approximate their fair value because of their short-term nature. The carrying value of long-term debt related to our Revolving Credit and Term Credit Agreements approximates its fair value as the principal amounts outstanding are subject to variable interest rates that are based on market rates which are regularly reset. The carrying value of long-term debt related to our Senior Notes can differ to its fair value as the principal amounts outstanding are subject to fixed interest rates as outlined in Note 9 - Debt. Foreign currency hedging instruments are marked to market and therefore reflect their fair value. In addition, we measure investments in publicly held equity securities and privately held equity securities for which there has been an observable price change in an identical or similar security, at fair value. We do not hold or issue financial instruments for trading purposes.

(e) Cash and Cash Equivalents

Cash equivalents include certificates of deposit and other highly liquid investments and we state them at cost, which approximates market. We consider investments with original maturities of 90 days or less to be cash equivalents for purposes of the consolidated statements of cash flows.

(f) Inventories

We state inventories at the lower of cost (determined principally by the first-in, first-out method) or net realizable value. We include material, labor and manufacturing overhead costs in finished goods and work-in-process inventories. We review and provide for any product obsolescence in our manufacturing and distribution operations by assessing throughout the year individual products and components (based on estimated future usage and sales).

(g) Property, Plant and Equipment

We record property, plant and equipment, including rental and demonstration equipment at cost. We compute depreciation expense using the straight-line method over the estimated useful lives of the assets. Useful lives are generally two years to ten years except for buildings which are depreciated over an estimated useful life offorty years and leasehold improvements, which we amortize over the shorter of the useful life or the lease term. We charge maintenance and repairs to expense as we incur them.

Depreciation expense for property, plant, and equipment was $81.0 million, $78.4 million, and $65.6 million for the years ended June 30, 2022, 2021 and 2020, respectively.

(h) Intangible Assets

We capitalize the registration costs for new patents and amortize the costs over the estimated useful life of the patent, which is generallyten years. If a patent is superseded or a product is retired, any unamortized costs are written off immediately.

We amortize all of our other intangible assets on a straight-line basis over their estimated useful lives, which range fromtwo years to fifteen years. We take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists and, at least annually, evaluate the recoverability of intangible assets. We have not identified any impairment of intangible assets during any of the periods presented.

(i) Goodwill

We conduct our annual review for goodwill impairment during the final quarter of the fiscal year. Our goodwill impairment review is performed at our reporting unit level, which is one level below our operating segments and involves the following steps:

Step 0 or Qualitative assessment – Evaluate qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The factors we consider include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance or events-specific to that reporting unit. If or when we determine it is more likely than not that the fair value of a reporting unit is less than the carrying amount, including goodwill, we would move to Step 1 of the quantitative method.

Step 1 – Compare the fair value for each reporting unit to its carrying value, including goodwill. Fair value is determined based on estimated discounted cash flows. A goodwill impairment charge is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. If a reporting unit’s fair value exceeds the carrying value, no further work is performed and no impairment charge is necessary.

During the annual reviews for the years ended June 30, 2022, 2021 and 2020, we completed a Step 0 or Qualitative assessment and determined it was more likely than not that the fair value of our reporting units exceeded their carrying amounts, including goodwill, and therefore goodwill was not impaired.

(j) Equity investments

We have equity investments in privately and publicly held companies that are unconsolidated entities. The following discusses our accounting for investments in marketable equity securities, non-marketable equity securities, and investments accounted for under the equity method.

Our marketable equity securities are publicly traded stocks measured at fair value and classified within Level 1 in the fair value hierarchy because we use quoted prices for identical assets in active markets. Marketable equity securities are recorded in prepaid expenses and other current assets on the consolidated balance sheets.

Non-marketable equity securities consist of investments in privately held companies without readily determinable fair values and are recorded in prepaid taxes and other non-current assets on the consolidated balance sheets. Non-marketable equity securities are reported at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. We assess non-marketable equity securities at least quarterly for impairment and consider qualitative and quantitative factors including the investee's financial metrics, product and commercial outlook and cash usage. All gains and losses on marketable and non-marketable equity securities, realized and unrealized, are recognized in gain (loss) on equity investments as a component of other income (loss), net on the consolidated statements of operations.

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Equity investments whereby we have significant influence but not control over the investee, and are not the primary beneficiary of the investee's activities, are accounted for under the equity method. Under this method, we record our share of gains or losses attributable to equity method investments as a component of other income (loss), net on the consolidated statements of operations.

(k) Research and Development

We record all research and development expenses in the period we incur them.

(l) Foreign Currency

The consolidated financial statements of our non-U.S. subsidiaries, whose functional currencies are other than the U.S. dollar, are translated into U.S. dollars for financial reporting purposes. We translate assets and liabilities of non-U.S. subsidiaries whose functional currencies are other than the U.S. dollar at period end exchange rates, but translate revenue and expense transactions at average exchange rates for the period. We recognize cumulative translation adjustments as part of comprehensive income, as detailed in the consolidated statements of comprehensive income, and include those adjustments in accumulated other comprehensive income in the consolidated balance sheets until such time the relevant subsidiary is sold or substantially or completely liquidated. We reflect gains and losses on transactions denominated in other than the functional currency of an entity in our results of operations.

(m) Foreign Exchange Risk Management

We transact business in various foreign currencies, including a number of major European currencies as well as the Australian and Singapore dollars. We have significant foreign currency exposure through both our Australian and Singaporean manufacturing activities, and international sales operations. We have established a foreign currency hedging program using purchased currency options and forward contracts to hedge foreign-currency-denominated financial assets, liabilities and manufacturing cash flows. The terms of such foreign currency hedging contracts generally do not exceed three years. The goal of this hedging program is to economically manage the financial impact of foreign currency exposures denominated mainly in Euros, Australian and Singapore dollars. Under this program, increases or decreases in our foreign currency denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments.

We do not designate these foreign currency contracts as hedges. We have determined our hedge program to be a non-effective hedge as defined under the FASB issued authoritative guidance. All movements in the fair value of the foreign currency instruments are recorded within other income, net in our consolidated statements of income and through changes in our operating assets and liabilities within our consolidated statements of cash flows. We classify purchases of foreign currency derivatives and proceeds received from the exercise of foreign currency derivatives as an investing activity within our consolidated statements of cash flows. We do not enter into financial instruments for trading or speculative purposes.

We held foreign currency instruments with notional amounts totaling $602.0 million and $556.4 million at June 30, 2022 and June 30, 2021, respectively, to hedge foreign currency fluctuations. These contracts mature at various dates prior to June 30, 2024.

(n) Income Taxes

We account for income taxes under the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using the enacted tax rates we expect to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We recognize the impact of a tax position in the consolidated financial statements only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. Any interest and penalties related to uncertain tax positions are reflected in income tax expense.

(o) Provision for Warranty

We provide for the estimated cost of product warranties on our Sleep and Respiratory Care products at the time the related revenue is recognized. We determine the amount of this provision by using a financial model, which takes into consideration actual historical expenses and potential risks associated with our different products. We use this financial model to calculate the future probable expenses related to warranty and the required level of the warranty provision. Although we engage in product improvement programs and processes, our warranty obligation is affected by product failure rates and costs incurred to correct those product failures. Should actual product failure rates or estimated costs to repair those product failures differ from our estimates, we would be required to revise our estimated warranty provision.

(p) Allowance for Credit Losses

We maintain an allowance for credit losses on customer receivables based on our historical write-off experience, an assessment of our customers' financial conditions and available information that is relevant to assessing the collectability of cash flows, which includes current conditions and forecasts about future economic conditions. Customer receivables are charged against the allowance when they are deemed uncollectible.

We are also contingently liable, within certain limits, in the event of a customer default, to independent financing companies in connection with customer financing programs. We monitor the collection status of these installment receivables and provide for estimated losses separately under accrued expenses within our consolidated balance sheets based upon our historical collection experience with such receivables and a current assessment of our credit exposure.

(q) Impairment of Long-Lived Assets

We periodically evaluate the carrying value of long-lived assets to be held and used, including certain identifiable intangible assets, when events and circumstances indicate that the carrying amount of an asset may not be recovered. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If assets are considered to be impaired, we recognize as the impairment the amount by which the carrying amount of the assets exceeds the fair value of the assets. We report assets to be disposed of at the lower of the carrying amount or fair value less costs to sell. We did not recognize impairment charges in relation to long-lived assets during the fiscal years ended June 30, 2022, 2021 and 2020.

(r) Contingencies

We record a liability in the consolidated financial statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded.

(3) New Accounting Pronouncements

Recently adopted accounting pronouncements

ASU No. 2021-08 "Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers"

In October 2021, the FASB issued ASU No. 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" (Topic 805), which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. The guidance is effective for us beginning in the first quarter of the year ending June 30, 2024 and early adoption is permitted. We elected to early adopt this standard in the second quarter of our fiscal year ending June 30, 2022. Adoption of ASU 2021-08 did not have a material impact on our consolidated financial statements.

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(4) Supplemental Balance Sheet Information

Components of selected captions in the consolidated balance sheets consisted of the following as of June 30, 2022 and June 30, 2021 (in thousands):

Inventories	2022	2021
Raw materials	$ 355,225	$ 155,419
Work in progress	3,077	4,647
Finished goods	385,608	296,967
Total inventories	$ 743,910	$ 457,033

Prepaid expenses and other current assets	2022	2021
Prepaid taxes	$ 99,352	$ 72,409
Prepaid inventories	107,291	6,952
Other prepaid expenses and current assets	131,265	128,793
Total prepaid expenses and other current assets	$ 337,908	$ 208,154

Property, plant and equipment	2022	2021
Machinery and equipment	$ 390,634	$ 349,022
Computer equipment and software	199,671	194,386
Furniture and fixtures	54,098	54,435
Vehicles and aircraft	19,231	5,959
Clinical, demonstration and rental equipment	105,440	110,620
Leasehold improvements	80,855	77,392
Land	51,864	54,458
Buildings	229,502	239,357
Property, plant and equipment, at cost	$ 1,131,295	$ 1,085,629
Accumulated depreciation and amortization	(633,114)	(622,139)
Property, plant and equipment, net	$ 498,181	$ 463,490

(5) Goodwill and Other Intangible Assets, net

Goodwill

For each of the years ended June 30, 2022 and June 30, 2021, we have not recorded any goodwill impairments.Changes in the carrying amount of goodwill is comprised of the following for the year ended June 30, 2022 (in thousands):

	2022		
	Sleep and Respiratory Care	SaaS	Total
Balance at the beginning of the period	$ 633,183	$ 1,294,718	$ 1,927,901
Business acquisitions	38,953	—	38,953
Foreign currency translation adjustments	(30,412)	—	(30,412)
Balance at the end of the period	$ 641,724	$ 1,294,718	$ 1,936,442

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Other Intangible Assets

Other intangibles, net are comprised of the following as of June 30, 2022 and June 30, 2021 (in thousands):

	2022	2021
Developed/core product technology	$ 350,671	$ 383,319
Accumulated amortization	(239,647)	(239,049)
Developed/core product technology, net	111,024	144,270
Customer relationships	257,034	272,703
Accumulated amortization	(91,731)	(90,976)
Customer relationships, net	165,303	181,727
Other intangibles	204,580	197,662
Accumulated amortization	(134,963)	(131,077)
Other intangibles, net	69,617	66,585
Total other intangibles, net	$ 345,944	$ 392,582

Intangible assets consist of developed/core product technology, trade names, non-compete agreements, customer relationships, and patents, and we amortize them over the estimated useful life of the assets, generally between two years and fifteen years. There are no expected residual values related to these intangible assets.

Amortization expense related to identified intangible assets for the years ended June 30, 2022 and June 30, 2021 was $70.7 million and $76.2 million, respectively. Amortization expense related to patents for the years ended June 30, 2022 and June 30, 2021 was $6.2 million and $5.3 million, respectively. Total estimated annual amortization expense for the years ending June 30, 2023 through June 30, 2027, is shown below (in thousands):

	Fiscal Years Ending June 30				
	2023	2024	2025	2026	2027
Estimated amortization expense	$ 61,374	$ 57,594	$ 53,157	$ 47,902	$ 29,667

(6) Investments

Equity investments by measurement category as of June 30, 2022 and June 30, 2021 were as follows (in thousands):

Measurement category	2022	2021
Fair value	$ 9,167	$ 29,084
Measurement alternative	39,290	23,002
Equity method	9,918	17,154
Total	$ 58,375	$ 69,240

The following table shows a reconciliation of the changes in our equity investments for the year ended June 30, 2022 (in thousands):

	Non-marketable securities	Marketable securities	Equity method investments	Total
Balance at the beginning of the period	$ 23,002	$ 29,084	$ 17,154	$ 69,240
Net additions (reductions) to investments [1]	11,775	(3,202)	1,250	9,823
Observable price adjustments on non-marketable equity securities	5,367	—	—	5,367
Unrealized losses on marketable equity securities	—	(18,341)	—	(18,341)
Realized gains on marketable and non-marketable equity securities	2,355	1,626	—	3,981
Impairment of investments	(3,209)	—	—	(3,209)
Loss attributable to equity method investments	—	—	(8,486)	(8,486)
Carrying value at the end of the period	$ 39,290	$ 9,167	$ 9,918	$ 58,375

(1) Net additions (reductions) to investments includes additions from purchases, reductions due to exits of securities, or reclassifications due to our acquisition of an investee in which we held a prior equity interest.

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The following table shows a reconciliation of the changes in our equity investments for the year ended June 30, 2021(in thousands):

	Non-marketable securities	Marketable securities	Equity method investments	Total
Balance at the beginning of the period	$ 30,033	$ —	$ 14,109	$ 44,142
Additions to investments	2,538	5,000	14,250	21,788
Observable price adjustments on non-marketable equity securities	1,000	—	—	1,000
Unrealized gains on marketable equity securities	—	13,515	—	13,515
Reclassifications [2]	(10,569)	10,569	—	—
Loss attributable to equity method investments	—	—	(11,205)	(11,205)
Carrying value at the end of the period	$ 23,002	$ 29,084	$ 17,154	$ 69,240

(2) During the year ended June 30, 2021, one of our investments, which was previously accounted for under the measurement alternative, completed its initial public offering which resulted in a change of accounting methodology to fair value.

Net unrealized gains and losses recognized in the years ended June 30, 2022, 2021 and 2020 for equity investments in non-marketable and marketable securities still held as of those respective dates were a loss of $16.2 million, a gain of $14.5 million, and a loss of $14.5 million, respectively.

(7) Accrued Expenses

Accrued expenses at June 30, 2022 and June 30, 2021 consist of the following (in thousands):

	2022	2021
Product warranties (note 8)	$ 25,889	$ 22,032
Consulting and professional fees	25,073	21,246
Value added taxes and other taxes due	26,340	26,542
Employee related costs	194,736	199,917
Promotional and marketing	6,485	4,127
Accrued interest	7,983	8,338
Logistics and occupancy costs	32,160	14,954
Inventory in transit	11,554	7,146
Other	14,502	16,297
Total accrued expenses	$ 344,722	$ 320,599

(8) Product Warranties

We include the liability for warranty costs in accrued expenses in our consolidated balance sheets.Changes in the liability for product warranty for the years ended June 30, 2022 and June 30, 2021 are as follows (in thousands):

	2022	2021
Balance at the beginning of the period	$ 22,032	$ 21,132
Warranty accruals for the period	17,442	14,366
Warranty costs incurred for the period	(12,124)	(14,858)
Foreign currency translation adjustments	(1,461)	1,392
Balance at the end of the period	$ 25,889	$ 22,032

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(9) Debt

Debt at June 30, 2022 and June 30, 2021 consists of the following (in thousands):

	2022	2021
Short-term debt	$ 10,000	$ 12,000
Deferred borrowing costs	(84)	—
Short-term debt, net	9,916	12,000
Long-term debt	$ 770,000	$ 646,000
Deferred borrowing costs	(4,675)	(2,649)
Long-term debt, net	$ 765,325	$ 643,351
Total debt	$ 775,241	$ 655,351

Credit Facility

On June 29, 2022, we entered into a second amended and restated credit agreement (the "Revolving Credit Agreement"), as borrower, with lenders MUFG Union Bank, N.A., as administrative agent, joint lead arranger, sole book runner, swing line lender and letter of credit issuer, Westpac Banking Corporation, as syndication agent and joint lead arranger, HSBC Bank USA, National Association, as syndication agent and joint lead arranger, and Wells Fargo Bank, National Association, as documentation agent. The Revolving Credit Agreement, among other things, provided a senior unsecured revolving credit facility of $1,500.0 million, with an uncommitted option to increase the revolving credit facility by an additional amount equal to the greater of $1,000.0 million and 1.00 times the EBITDA (as defined in the Revolving Credit Agreement) for the trailing twelve-month measurement period. The Revolving Credit Facility amends and restates that certain Amended and Restated Credit Agreement, dated as of April 17, 2018, among ResMed, MUFG Union Bank, N.A., Westpac Banking Corporation and the lenders party thereto which provided ResMed with a senior unsecured revolving credit facility in an aggregate amount of $1,600.0 million with an uncommitted option to increase such facility by an additional $300.0 million.

Additionally, on June 29, 2022, ResMed Pty Limited entered into a Second Amendment to the Syndicated Facility Agreement and First Amendment to Unconditional Guaranty Agreement (the "Term Credit Agreement"), as borrower, with lenders MUFG Union Bank, N.A., as administrative agent, joint lead arranger and joint book runner, and Westpac Banking Corporation, as syndication agent, joint lead arranger and joint book runner, which amends that certain Syndicated Facility Agreement dated as of April 17, 2018. The Term Credit Agreement, among other things, provides ResMed Pty a senior unsecured term credit facility of $200.0 million.

Our obligations under the Revolving Credit Agreement are guaranteed by certain of our direct and indirect U.S. subsidiaries, and ResMed Pty Limited's obligations under the Term Credit Agreement are guaranteed by us and certain of our direct and indirect U.S. subsidiaries. The Revolving Credit Agreement and Term Credit Agreement contain customary covenants, including, in each case, a financial covenant that requires that we maintain a maximum leverage ratio of funded debt to EBITDA (as defined in the Revolving Credit Agreement and Term Credit Agreement, as applicable). The entire principal amounts of the revolving credit facility and term credit facility, and, in each case, any accrued but unpaid interest may be declared immediately due and payable if an event of default occurs, as defined in the Revolving Credit Agreement and the Term Credit Agreement, as applicable. Events of default under the Revolving Credit Agreement and the Term Credit Agreement include, in each case, failure to make payments when due, the occurrence of a default in the performance of any covenants in the respective agreements or related documents, or certain changes of control of us, or the respective guarantors of the obligations borrowed under the Revolving Credit Agreement and Term Credit Agreement.

The Revolving Credit Agreement and Term Credit Agreement each terminate on June 29, 2027, when all unpaid principal and interest under the loans must be repaid. Amounts borrowed under the Term Credit Agreement will also amortize on a semi-annual basis, with a $ 5.0 million principal payment required on each such semi-annual amortization date. The outstanding principal amounts will bear interest at a rate equal to the Adjusted Term SOFR (as defined in the Revolving Credit Facility) plus 0.75% to 1.50% (depending on the then-applicable leverage ratio) or the Base Rate (as defined in the Revolving Credit Agreement and the Term Credit Agreement, as applicable) plus 0.0% to 0.50% (depending on the then-applicable leverage ratio). At June 30, 2022, the interest rate that was being charged on the outstanding principal amounts was 3.00%. An applicable commitment fee of 0.075% to 0.150% (depending on the then-applicable leverage ratio) applies

on the unused portion of the revolving credit facility. As of June 30, 2022, we had $1.4 billion available for draw down under the revolving credit facility.

We are required to disclose the fair value of financial instruments for which it is practicable to estimate the value, even though these instruments are not recognized at fair value in the consolidated balance sheets. As the Revolving Credit and Term Credit Agreements' interest rate is calculated as Adjusted Term SOFR plus the spreads described above, its carrying amount is equivalent to its fair value as at June 30, 2022 and June 30, 2021, which was $280.0 million and $158.0 million, respectively. Quoted market prices in active markets for identical liabilities based inputs (Level 2) were used to estimate fair value.

Senior Notes

On July 10, 2019, we entered into a Note Purchase Agreement with the purchasers to that agreement, in connection with the issuance and sale of $250.0 million principal amount of our 3.24% senior notes due July 10, 2026, and $250.0 million principal amount of our 3.45% senior notes due July 10, 2029 (collectively referred to as the "Senior Notes"). Our obligations under the Note Purchase Agreement and the Senior Notes are unconditionally and irrevocably guaranteed by certain of our direct and indirect U.S. subsidiaries. The net proceeds from this transaction were used to pay down borrowings on our Revolving Credit Agreement.

Under the terms of the Note Purchase Agreement, we agreed to customary covenants including with respect to our corporate existence, transactions with affiliates, and mergers and other extraordinary transactions. We also agreed that, subject to limited exceptions, we will maintain a ratio of consolidated funded debt to consolidated EBITDA (as defined in the Note Purchase Agreement) of no more than 3.50 to 1.00 as of the last day of any fiscal quarter, and will not at any time permit the amount of all priority secured and unsecured debt of us and our subsidiaries to exceed 10.0% of our consolidated tangible assets, determined as of the end of our most recently ended fiscal quarter. This ratio is calculated at the end of each reporting period for which the Note Purchase Agreement requires us to deliver financial statements, using the results of the 12 consecutive month period ending with such reporting period.

We are required to disclose the fair value of financial instruments for which it is practicable to estimate the value, even though these instruments are not recognized at fair value in the consolidated balance sheets. As of June 30, 2022, the Senior Notes have a carrying amount of $500.0 million, excluding deferred borrowing costs, and an estimated fair value of $477.7 million. Quoted market prices in active markets for identical liabilities based inputs (Level 2) were used to estimate fair value.

At June 30, 2022, we were in compliance with our debt covenants and there was $780.0 million outstanding under the Revolving Credit Agreement, Term Credit Agreement and Senior Notes.

(10) Leases

(a) Leases where ResMed is the Lessee

We determine whether a contract is, or contains, a lease at inception. ROU assets represent our right to use an underlying asset during the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. We use our incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments. ROU assets also include any lease payments made at or before lease commencement and any initial direct costs incurred, and exclude any lease incentives received.

We determine the lease term as the non-cancellable period of the lease, and may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases with a term of 12 months or less are not recognized on the balance sheet. Some of our leases include variable lease payments that are based on costs incurred or actual usage, or adjusted periodically based on an index or a rate. Our leases do not contain any residual value guarantees and we do not account for lease and non-lease components as a single lease component. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on our consolidated balance sheets. We lease certain office space, warehouses and distribution centers, manufacturing facilities, vehicles, and equipment with remaining lease terms ranging from less than 1 year to 14 years, some of which include options to extend or terminate the leases.

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Operating lease costs for the years ended June 30, 2022, 2021 and 2020 were $35.3 million, $35.5 million and $26.5 million, respectively. Short-term and variable lease costs were not material for the years ended June 30, 2022, 2021 and 2020.

Future lease payments under non-cancellable operating leases as of June 30, 2022 are as follows (in thousands):

	Total	2023	2024	2025	2026	2027	Thereafter
Minimum lease payments	$ 161,219	$ 25,488	$ 19,561	$ 16,617	$ 15,783	$ 15,254	$ 68,516
Less: imputed interest	(18,910)						
Total lease liabilities	$ 142,309						

As of June 30, 2022, we had additional operating lease commitments of $0.7 million for office space that have not yet commenced. These leases will commence during the year ended June 30, 2023 with lease terms of 1 year to 5 years.

The supplemental information related to operating leases for the years ended June 30, 2022 and June 30, 2021 was as follows (in thousands):

	2022	2021
Weighted-average inputs:		
Weighted-average remaining lease term (years)	8.8	8.5
Weighted-average discount rate	2.8 %	3.0 %
Cash flow information:		
Operating cash flows paid for amounts included in the measurement of lease liabilities	$ 26,462	$ 27,734
Right of use assets obtained in exchange for new lease liabilities:	$ 41,382	$ 36,130

(b) Leases where ResMed is the Lessor

We lease sleep and respiratory medical devices to customers primarily as a means to comply with local health insurer requirements in certain foreign geographies. Device rental contracts include sales-type and operating leases, and contract terms vary by customer and include options to terminate or extend the contract. When lease contracts also include the sale of masks and accessories, we allocate contract consideration to those items on a relative standalone price basis and recognize revenue when control transfers to the customer.

The components of lease revenue for the years ended June 30, 2022, 2021 and 2020 were as follows (in thousands):

	2022	2021	2020
Sales-type lease revenue	$ 9,342	$ 9,758	$ 13,457
Operating lease revenue	90,076	93,431	87,874
Total lease revenue	$ 99,418	$ 103,189	$ 101,331

Our net investment in sales-type leases were classified in the consolidated balance sheets as of June 30, 2022 and June 30, 2021 as follows (in thousands):

	2022	2021
Accounts receivable, net	$ 6,473	$ 8,026
Prepaid taxes and other non-current assets	7,635	6,214
Total	$ 14,108	$ 14,240

Maturities of sales-type leases as of June 30, 2022 were as follows (in thousands):

	Total	2023	2024	2025	2026	2027	Thereafter
Remaining lease payments	$ 16,068	$ 6,757	$ 4,207	$ 2,057	$ 1,915	$ 1,132	—
Less: imputed interest	(1,960)						
Present value of remaining lease payments	$ 14,108						

(11) Stockholders' Equity

Common Stock. On February 21, 2014, our board of directors approved a new share repurchase program, authorizing us to acquire up to an aggregate of 20.0 million shares of our common stock. The program allows us to repurchase shares of our common stock from time to time for cash in the open market, or in negotiated or block transactions, as market and business conditions warrant and subject to applicable legal requirements. The 20.0 million shares the program authorizes us to purchase are in addition to the shares we repurchased on or before February 21, 2014 under our previous programs. There is no expiration date for this program, and the program may be accelerated, suspended, delayed or discontinued at any time at the discretion of our board of directors. All share repurchases since February 21, 2014 have been executed in accordance with this program.

We have temporarily suspended our repurchase program and, accordingly, did not repurchase any shares during fiscal years 2022 or 2021. As of June 30, 2022, we have repurchased a total of 41.8 million shares at a cost of $1.6 billion. Shares that are repurchased are classified as "treasury stock pending future use" and reduce the number of shares outstanding used in calculating earnings per share. At June 30, 2022, 12.9 million additional shares can be repurchased under the approved share repurchase program.

Preferred Stock. In April 1997, our board of directors authorized 2.0 million shares of 0.01 par value preferred stock. No such shares were issued or outstanding at June 30, 2022.

Stock Options and Restricted Stock Units. We have granted stock options, restricted stock units ("RSUs") and performance restricted stock units ("PRSUs") to personnel, including officers and directors, in accordance with the ResMed Inc. 2009 Incentive Award Plan (the "2009 Plan"). Options and restricted stock units vest over one year to four years and the options have expiration dates of seven years from the date of grant. We have granted the options with an exercise price equal to the market value as determined at the date of grant. We have granted PRSUs that are subject to a market condition, with the ultimate realizable number of PRSUs dependent on relative total stockholder return over a period of three years, up to a maximum amount to be issued under the award of 225% of the original grant.

At the annual meeting of our stockholders in November 2017, our stockholders approved an amendment and restatement to the 2009 Plan to increase the number of shares of common stock that may be issued or transferred pursuant to awards under the 2009 Plan by 7.4 million. The amendment and restatement imposes a maximum award amount which may be granted under the 2009 Plan to non-employee director in a calendar year, which when taken together with any other cash fees earned for services as a non-employee director during the calendar year, has a total value of $0.7 million, or $1.2 million in the case of a non-employee director who is also serving as chairman of our board of directors. The amendment and restatement also increased the maximum amount payable pursuant to cash-denominated performance awards granted in any calendar year from $3.0 million to $5.0 million. In addition, the amendment and restatement extended the existing prohibition on the payment of dividends or dividend equivalents on unvested awards to apply to all awards, including time-based restricted stock, deferred stock and stock payment. The term of the 2009 Plan was extended by four years so that the plan expires on September 11, 2027.

The maximum number of shares of our common stock authorized for issuance under the 2009 Plan is 51.1 million. The number of securities remaining available for future issuance under the 2009 Plan at June 30, 2022 is 15.3 million. The number of shares of our common stock available for issuance under the 2009 Plan will be reduced by (i) 2.8 shares for each one share of common stock delivered in settlement of any "full-value award," which is any award other than a stock option, stock appreciation right or other award for which the holder pays a purchase price and (ii) one share for each share of common stock delivered in settlement of all other awards. The maximum number of shares, which may be subject to awards granted under the 2009 Plan to any individual during any calendar year, may not exceed 3 million shares of our common stock (except in a participant's initial year of hiring up to 4.5 million shares of our common stock may be granted).

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In certain regions, shares are withheld on behalf of employees to satisfy statutory tax withholding requirements upon exercise or vesting of awards. The number of shares withheld is based upon the closing price of our common stock on the trading day of the applicable settlement date. The remaining shares are delivered to the recipient as shares of our common stock. The amount remitted to the tax authorities for the employees' tax obligation is reflected as a financing activity on our consolidated statements of cash flows. Shares withheld by us as a result of the net settlement are not considered issued and outstanding and are added to the reserves of the 2009 Plan.

The total fair value of RSUs and PRSUs that vested during the years ended June 30, 2022, 2021 and 2020, was $65.5 million, $59.6 million and $56.8 million, respectively.

The following table summarizes the activity of RSUs, including PRSUs, during year ended June 30, 2022 (in thousands, except years and per share amounts):

	Restricted Stock Units	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term in Years
Outstanding at beginning of period	875	$ 145.19	1.5
Granted	288	259.46	
Vested*	(575)	113.85	
Performance factor adjustment	175	—	
Forfeited	(82)	184.30	
Outstanding at end of period	681	$ 203.46	1.6

* Includes 206 thousand shares netted for tax.

The following table summarizes option activity during the year ended June 30, 2022 (in thousands, except years and per share amounts):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Outstanding at beginning of period	1,060	$ 97.01	3.7
Granted	56	256.33	
Exercised	(177)	63.31	
Forfeited	(1)	110.19	
Outstanding at end of period	938	$ 112.91	3.2
Options exercisable at end of period	792	$ 96.14	2.8
Options vested and expected to vest at end of period	932	$ 112.10	3.2

The aggregate intrinsic value of options exercised during the fiscal years 2022, 2021 and 2020, was $13.7 million, $8.9 million and $31.2 million, respectively. As at June 30, 2022, the aggregate intrinsic value of options outstanding, exercisable, and vested and expected to vest were $93.5 million, $89.9 million and $93.4 million respectively.

Employee Stock Purchase Plan (the "ESPP"). Under the ESPP, we offer participants the right to purchase shares of our common stock at a discount during successive offering periods. Each offering period under the ESPP will be for a period of time determined by the board of directors' compensation committee of no less than 3 months and no more than 27 months. The purchase price for our common stock under the ESPP will be the lower of 85% of the fair market value of our common stock on the date of grant or 85% of the fair market value of our common stock on the date of purchase. An individual participant cannot subscribe for more than $25,000 in common stock during any calendar year. At June 30, 2022, the number of shares remaining available for future issuance under the ESPP is 1.5 million shares.

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During years ended June 30, 2022, 2021 and 2020, we issued216,000, 229,000 and 265,000 shares to our employees intwo offerings and we recognized $11.0 million, $10.9 million and $8.0 million, respectively, of stock compensation expense associated with the ESPP.

Stock–based Employee compensation. We measure the compensation expense of all stock-based awards at fair value on the grant date. We estimate the fair value of stock options and purchase rights granted under the ESPP using the Black-Scholes valuation model. The fair value of restricted stock units is equal to the market value of the underlying shares as determined at the grant date less the fair value of dividends that holders are not entitled to, during the vesting period. The fair value of performance restricted stock units is measured using a Monte-Carlo simulation valuation model. We recognize the fair value as compensation expense using the straight-line method over the service period for awards expected to vest.

We estimate the fair value of stock options granted under our stock option plans and purchase rights granted under the ESPP using the assumptions in the following tables. The risk-free interest rate is estimated using the U.S. Treasury yield curve and is based on the term of the award. The expected term of awards is estimated from the vesting period of the award, as well as historical exercise behavior, and represents the period of time the awards granted are expected to be outstanding. Expected volatility is estimated based upon the historical volatility of ResMed stock.

We estimate the fair value of stock options granted under our stock option plans and purchase rights granted under the ESPP using the following assumptions for the years ended June 30, 2022, 2021 and 2020:

	2022	2021	2020
Stock options:			
Weighted average grant date fair value	$72.16	$53.67	$32.14
Weighted average risk-free interest rate	1.29%	0.37%	1.58%
Expected life in years	4.9	4.9	4.9
Dividend yield	0.66%	0.75%	1.07%
Expected volatility	32%	31%	25%
ESPP purchase rights:			
Weighted average grant date fair value	$50.46	$48.18	$31.82
Weighted average risk-free interest rate	0.3%	0.1%	1.6%
Expected life in years	6 months	6 months	6 months
Dividend yield	0.63% - 0.98%	0.79% - 0.98%	0.98% - 1.42%
Expected volatility	20% - 34%	30% - 60%	23% - 60%

The following table summarizes the total stock-based compensation costs incurred and the associated tax benefit recognized during the years ended June 30, 2022, 2021 and 2020 (in thousands):

	2022	2021	2020
Cost of sales	$ 5,218	$ 4,153	$ 3,703
Selling, general and administrative expenses	50,791	51,727	47,265
Research and development expenses	9,248	8,047	6,591
Stock-based compensation costs	65,257	63,927	57,559
Tax benefit	(29,262)	(23,346)	(39,534)
Stock-based compensation costs, net of tax benefit	$ 35,995	$ 40,581	$ 18,025

At June 30, 2022, there was $104.0 million in unrecognized compensation costs related to unvested stock-based compensation arrangements. This is expected to be recognized over a weighted average period of 2.2 years.

(12) Earnings Per Share

We compute basic earnings per share by dividing the net income available to common stockholders by the weighted average number of shares of common stock outstanding. For purposes of calculating diluted earnings per share, the denominator includes both the weighted average number of shares of common stock outstanding and the number of dilutive

common stock equivalents such as stock options and restricted stock units. The weighted average number of outstanding stock options and restricted stock units not included in the computation of diluted earnings per share were 67,000, 141,000 and 164,000 for the years ended June 30, 2022, 2021 and 2020, respectively, as the effect would have been anti-dilutive.

Basic and diluted earnings per share for the years ended June 30, 2022, 2021 and 2020 are calculated as follows (in thousands except per share data):

	2022	2021	2020
Numerator:			
Net income	$ 779,437	$ 474,505	$ 621,674
Denominator:			
Basic weighted-average common shares outstanding	146,066	145,313	144,338
Effect of dilutive securities:			
Stock options and restricted stock units	977	1,138	1,314
Diluted weighted average shares	147,043	146,451	145,652
Basic earnings per share	$ 5.34	$ 3.27	$ 4.31
Diluted earnings per share	$ 5.30	$ 3.24	$ 4.27

(13) Income Taxes

Income before income taxes for the years ended June 30, 2022, 2021 and 2020, was taxed under the following jurisdictions (in thousands):

	2022	2021	2020
U.S.	$ (85,919)	$ 71,867	$ 60,548
Non-U.S.	1,046,402	811,795	672,540
Income before income taxes	$ 960,483	$ 883,662	$ 733,088

The provision for income taxes is presented below (in thousands):

		2022	2021	2020
Current:	Federal	$ 4,376	$ (115,109)	$ 9,790
	State	10,700	9,041	6,898
	Non-U.S.	177,788	531,812	124,602
		192,864	425,744	141,290
Deferred:	Federal	(12,612)	(22,791)	(13,000)
	State	(2,773)	(4,205)	(3,335)
	Non-U.S.	3,567	10,409	(13,541)
		(11,818)	(16,587)	(29,876)
Provision for income taxes		$ 181,046	$ 409,157	$ 111,414

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The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. federal income tax rate of 21% for the years ended June 30, 2022, 2021 and 2020, to pretax income as a result of the following (in thousands):

	2022	2021	2020
Taxes computed at statutory U.S. rate	$ 201,701	$ 185,569	$ 153,949
Increase (decrease) in income taxes resulting from:			
State income taxes, net of U.S. tax benefit	5,703	4,836	3,563
Research and development credit	(17,517)	(20,257)	(13,595)
Change in valuation allowance	858	(3,785)	7,216
Effect of non-U.S. tax rates	(4,384)	(12,130)	(20,935)
Foreign tax credits	(2,299)	(7,210)	(4,026)
Stock-based compensation expense	(11,294)	(4,498)	(20,696)
Uncertain tax position	—	248,773	—
Other	8,278	17,859	5,938
Provision for income taxes	$ 181,046	$ 409,157	$ 111,414

We reported net deferred tax assets and liabilities in our consolidated balance sheets at June 30, 2022 and June 30, 2021, as follows (in thousands):

	2022	2021
Non-current deferred tax asset	$ 79,746	$ 79,904
Non-current deferred tax liability	(9,714)	(11,319)
Net deferred tax asset	$ 70,032	$ 68,585

The components of our deferred tax assets and liabilities at June 30, 2022 and June 30, 2021, are as follows (in thousands):

	2022	2021
Deferred tax assets:		
Employee liabilities	$ 28,556	$ 30,080
Tax credit carry overs	7,723	13,753
Inventories	10,570	11,734
Provision for warranties	4,814	4,149
Provision for doubtful debts	5,096	7,334
Net operating loss carryforwards	27,490	33,377
Capital loss carryover	4,715	6,912
Stock-based compensation expense	6,425	6,080
Deferred revenue	25,748	17,839
Research and development capitalization	82,074	58,789
Lease liabilities	21,702	25,751
Other	(3,395)	(4,911)
	221,518	210,887
Less valuation allowance	(13,572)	(13,106)
Deferred tax assets	207,946	197,781
Deferred tax liabilities:		
Goodwill and other intangibles	(108,078)	(104,563)
Right of use assets	(20,345)	(23,693)
Property, plant and equipment	(9,491)	(940)
Deferred tax liabilities	(137,914)	(129,196)
Net deferred tax asset	$ 70,032	$ 68,585

As of June 30, 2022, we had $19.8 million of U.S. federal and state net operating loss carryforwards and $6.9 million of non-U.S. net operating loss carryforwards, which expire in various years beginning in 2023 or carry forward indefinitely.

The valuation allowance at June 30, 2022 relates to a provision for uncertainty of the utilization of net operating loss carryforwards of $9.8 million and capital loss and other items of $12.7 million. We believe that it is more likely than not that the benefits of deferred tax assets, net of any valuation allowance, will be realized.

A substantial portion of our manufacturing operations and administrative functions in Singapore operate under certain tax holidays and tax incentive programs that will expire in whole or in part at various dates through June 30, 2030. The end of certain tax holidays may be extended if specific conditions are met. The net impact of these tax holidays and tax incentive programs increased our net income by $38.0 million ($0.26 per diluted share) for the year ended June 30, 2022, $33.6 million ($0.23 per diluted share) for the year ended June 30, 2021, and $43.8 million ($0.30 per diluted share) for the year ended June 30, 2020.

As a result of the Tax Cuts and Jobs Act of 2017 (the ”U.S. Tax Act”), we have treated all non-U.S. historical earnings as taxable. Therefore, future repatriation of cash held by our non-U.S. subsidiaries will generally not be subject to U.S. federal tax if repatriated. The total amount of these undistributed earnings at June 30, 2022 amounted to approximately $3.6 billion. On June 14, 2019, the U.S. Treasury Department issued final and temporary regulations relating to the repatriation of non-U.S. earnings. As a result, in the event our non-U.S. earnings had not been permanently reinvested, approximately $194.9 million in U.S. federal deferred taxes and $5.2 million in U.S. state deferred taxes would have been recognized in the consolidated financial statements.

In accounting for uncertainty in income taxes, we recognize a tax benefit in the financial statements for an uncertain tax position only if management’s assessment is that the position is “more likely than not” (that is, a likelihood greater than 50 percent) to be allowed by the tax jurisdiction based solely on the technical merits of the position. The term “tax position” refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for annual periods. We recognize interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statements of income. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheets. Based on all known facts and circumstances and current tax law, we believe the total amount of unrecognized tax benefits on June 30, 2022, is not material to our results of operations, financial condition or cash flows, and if recognized, would not have a material impact on our effective tax rate.

Our income tax returns are based on calculations and assumptions subject to audit by various tax authorities. In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws. We regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes. Any final assessment resulting from tax audits may result in material changes to our past or future taxable income, tax payable or deferred tax assets, and may require us to pay penalties and interest that could materially adversely affect our financial results.

On September 19, 2021, we concluded the settlement agreement with the Australian Taxation Office (“ATO”) in relation to the previously disclosed transfer pricing dispute for the tax years 2009 through 2018 (“ATO settlement”). The ATO settlement fully resolved the dispute for all prior years, with no admission of liability and provides clarity in relation to certain future taxation principles.

The final net impact of the ATO settlement was $238.7 million, which represents a gross amount of $381.7 million, including interest and penalties of $48.1 million, and adjustments for credits and deductions of $143.0 million. As a result of the ATO settlement and due to movements in foreign currencies, we recorded a benefit of $14.1 million within other comprehensive income, and a $4.1 million reduction of tax credits, which was recorded to income tax expense. As a result of the ATO settlement, we reversed our previously recorded uncertain tax position.

On September 28, 2021, we remitted final payment to the ATO of $284.8 million, consisting of the agreed settlement amount of $381.7 million less prior remittances made to the ATO of $96.9 million.

Tax years 2018 to 2021 remain subject to future examination by the major tax jurisdictions in which we are subject to tax.

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(14) Segment Information

We have two operating segments, which are the Sleep and Respiratory Care segment and the SaaS segment. We evaluate the performance of our segments based on net sales and income from operations. The accounting policies of the segments are the same as those described in note 2 – Summary of Significant Accounting Policies. Segment net sales and segment income from operations do not include inter-segment profits and revenue is allocated to a geographic area based on where the products are shipped to or where the services are performed.

Certain items are maintained at the corporate level and are not allocated to the segments. The non-allocated items include corporate headquarters costs including stock-based compensation, amortization expense of acquired intangibles, restructuring expenses, litigation settlement expenses, deferred revenue fair value adjustment, net interest expense (income), loss attributable to equity method investments, gains and losses on equity investments, and other, net. We neither discretely allocate assets to our operating segments, nor does our Chief Operating Decision Maker evaluate the operating segments using discrete asset information.

The table below presents a reconciliation of net revenues, depreciation and amortization and net operating profit by reportable segments for the years ended June 30, 2022, 2021 and 2020 (in thousands):

	2022	2021	2020
Net revenue by segment			
Total Sleep and Respiratory Care	$ 3,177,298	$ 2,823,235	$ 2,602,381
Software as a Service	400,829	373,590	356,734
Deferred revenue fair value adjustment [1]	—	—	(2,102)
Total Software as a Service	400,829	373,590	354,632
Total	$ 3,578,127	$ 3,196,825	$ 2,957,013
Depreciation and amortization by segment			
Sleep and Respiratory Care	$ 79,367	$ 73,151	$ 69,444
Software as a Service	7,315	5,230	3,850
Amortization of acquired intangible assets and corporate assets	72,927	78,377	81,556
Total	$ 159,609	$ 156,758	$ 154,850
Net operating profit by segment			
Sleep and Respiratory Care	$ 1,132,510	$ 1,036,712	$ 934,697
Software as a Service	93,821	93,037	82,152
Total	$ 1,226,331	$ 1,129,749	$ 1,016,849
Reconciling items			
Corporate costs	$ 155,317	$ 141,193	$ 125,993
Amortization of acquired intangible assets	70,728	76,205	79,695
Restructuring expenses	—	8,673	—
Litigation settlement expenses	—	—	(600)
Deferred revenue fair value adjustment [1]	—	—	2,102
Interest expense (income), net	22,312	23,627	39,356
Loss attributable to equity method investments	8,486	11,205	25,058
(Gain) loss on equity investments	12,202	(14,515)	14,519
Other, net	(3,197)	(301)	(2,362)
Income before income taxes	$ 960,483	$ 883,662	$ 733,088

(1) The deferred revenue fair value adjustment is a purchase price accounting adjustment related to MatrixCare which was acquired on November 13, 2018.

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The following table summarizes our net revenue disaggregated by segment, product and region for the years ended June 30, 2022, 2021 and 2020 (in thousands):

	2022	2021	2020
U.S., Canada and Latin America			
Devices	$ 1,070,420	$ 863,661	$ 792,766
Masks and other	911,387	841,452	779,561
Total Sleep and Respiratory Care	$ 1,981,807	$ 1,705,113	$ 1,572,327
Software as a Service	400,829	373,590	354,632
Total	$ 2,382,636	$ 2,078,703	$ 1,926,959
Combined Europe, Asia and other markets			
Devices	$ 796,488	$ 746,379	$ 715,056
Masks and other	399,003	371,743	314,998
Total Sleep and Respiratory Care	$ 1,195,491	$ 1,118,122	$ 1,030,054
Global revenue			
Devices	$ 1,866,908	$ 1,610,040	$ 1,507,822
Masks and other	1,310,390	1,213,195	1,094,559
Total Sleep and Respiratory Care	$ 3,177,298	$ 2,823,235	$ 2,602,381
Software as a Service	400,829	373,590	354,632
Total	$ 3,578,127	$ 3,196,825	$ 2,957,013

Revenue information by geographic area for the years ended June 30, 2022, 2021 and 2020 is summarized below (in thousands):

	2022	2021	2020
United States	$ 2,249,381	$ 1,962,721	$ 1,828,575
Rest of the World	1,328,746	1,234,104	1,128,438
Total	$ 3,578,127	$ 3,196,825	$ 2,957,013

Long-lived assets of geographic areas are those assets used in our operations in each geographical area, and excludes goodwill, other intangible assets, and deferred tax assets. Long-lived assets by geographic area as of June 30, 2022 and 2021 is summarized below (in thousands):

	2022	2021
Australia	$ 192,833	$ 186,289
United States	169,090	159,815
Singapore	72,821	64,182
Rest of the World	63,309	53,204
Total	$ 498,053	$ 463,490

(15) Employee Retirement Plans

We contribute to a number of employee retirement plans for the benefit of our employees. Details of the main plans are as follows:

Australia We contribute to defined contribution plans for each employee resident in Australia at the rate of approximately 10.0% of salaries. Employees may contribute additional funds to the plans. All Australian employees, after serving a qualifying period, are entitled to benefits on retirement, disability or death. Our total contributions to the plans for the years ended June 30, 2022, 2021 and 2020, were $11.8 million, $10.7 million and $9.5 million, respectively.

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United States We sponsor a defined contribution plan available to substantially all domestic employees. Company contributions to this plan are based on a percentage of employee contributions to a maximum of 4.0% of the employee's salary. Our total contributions to the plan were $11.9 million, $9.6 million and $9.3 million in fiscal 2022, 2021 and 2020, respectively.

Singapore We sponsor a defined contribution plan available to substantially all domestic employees. Company contributions to this plan are based on a percentage of employee contributions to a maximum of 17.0% of the employee's salary. Our total contributions to the plan were $3.1 million, $2.5 million and $2.9 million in fiscal 2022, 2021 and 2020, respectively.

(16) Legal Actions, Contingencies and Commitments

Litigation

In the normal course of business, we are subject to routine litigation incidental to our business. While the results of this litigation cannot be predicted with certainty, we believe that their final outcome will not, individually or in aggregate, have a material adverse effect on our consolidated financial statements taken as a whole.

On June 2, 2021, New York University filed a complaint for patent infringement in the United States District Court, District of Delaware against ResMed Inc., case no. 1:21-cv-00813 (CFC). The complaint alleges that the AutoSet or AutoRamp features of ResMed's AirSense 10 AutoSet flow generators infringe one or more claims of various NYU patents, including U.S. Patent Nos. 6,988,994; 9,108,009; 9,168,344; 9,427,539; 9,533,115; 9,867,955; and 10,384,024. According to the complaint, the NYU patents are directed to systems and methods for diagnosis and treating sleeping disorders during different sleep states. The complaint seeks monetary damages and attorneys' fees. ResMed answered the complaint on September 30, 2021 and filed a motion to dismiss the complaint on the basis that the patents are invalid because the subject matter of the patents is not patentable under the Supreme Court and Federal Circuit precedent. The motion to dismiss was granted in part and denied in part. The matter is proceeding to discovery.

On January 27, 2021, the International Trade Commission instituted In Re Certain UMTS and LTE Cellular Communications Modules and Products Containing the Same, Investigation No. 337-TA-1240, by complainants Philips RS North America, LLC and Koninklijke Philips N.V. (collectively "Philips") against Quectel Wireless Solutions Co., Ltd; Thales DIS AIS USA, LLC, Thales DIS AIS Deutschland GmbH; Telit Wireless Solutions, Inc., Telit Communications PLC, CalAmp. Corp., Xirgo Technologies, LLC, and Laird Connectivity, Inc. (collectively "respondents"). In the ITC investigation, Philips seeks an order excluding communications modules, and products that contain them, from importation into the United States based on alleged infringement of 3G and 4G standard essential patents held by Philips. On October 6-14, 2021, the administrative law judge held a hearing on the merits. The administrative law judge issued an initial determination on April 1, 2022, finding no violation of any of the Philips patents asserted in the ITC. Philips sought review by the full International Trade Commission. On July 6, 2022, the Commission affirmed the administrative law judge's determination that there was no violation of asserted Philips patents. The Commission terminated the ITC proceedings. Philips may appeal the ITC's decision or return to the district court to pursue its civil case for damages and an injunction. On December 17, 2020, Philips filed companion cases for patent infringement against the same defendants in the United States District Court for the District of Delaware, case nos. 1:20-cv-01707, 01708, 01709, 01710, 01711, and 01713 (CFC) seeking damages, an injunction, and a declaration from the court on the amount of a fair reasonable and non-discriminatory license rate for the standard essential patents it is asserting against the communications module defendants. The district court cases have been stayed pending the resolution of the ITC proceedings. ResMed is not a party to the ITC investigation or the district court cases but sells products that incorporate some of the communications modules at issue in the cases.

On June 16, 2022, Cleveland Medical Devices Inc. filed suit for patent infringement against ResMed Inc. in the United States District Court for the District of Delaware, case no. 1:22-cv-00794. Cleveland Medical asserts that numerous ResMed connected devices, when combined with ResMed's AirView and ResScan data platforms, infringe one or more of eight Cleveland Medical patents, including U.S. Patent Nos. 10,076,269; 10,426,399; 10,925,535; 11,064,937; 10,028,698; 10,478,118; 11,202,603; and 11,234,637.

Based on currently available information, we are unable to make a reasonable estimate of loss or range of losses, if any, arising from matters that remain open.

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Contingent Obligations Under Recourse Provisions

We use independent financing institutions to offer some of our customers financing for the purchase of some of our products. Under these arrangements, if the customer qualifies under the financing institutions' credit criteria and finances the transaction, the customers repay the financing institution on a fixed payment plan. For some of these arrangements, the customer's receivable balance is with limited recourse whereby we are responsible for repaying the financing company should the customer default. We record a contingent provision, which is estimated based on historical default rates. This is applied to receivables sold with recourse and is recorded in accrued expenses.

During the year ended June 30, 2022 and 2021, receivables sold with limited recourse were $157.6 million and $153.0 million, respectively. As of June 30, 2022, the maximum exposure on outstanding receivables sold with recourse and contingent provision were $24.2 million and $2.1 million, respectively. As of June 30, 2021, the maximum exposure on outstanding receivables sold with recourse and contingent provision were $30.2 million and $8.2 million, respectively.

Commitments

In the normal course of business, we enter into agreements to purchase goods or services that are not cancelable without penalty, primarily related to supply arrangements. In addition, in June 2022 we signed a definitive agreement to acquire MEDIFOX DAN which is expected to close during our fiscal year 2023. The MEDIFOX DAN acquisition remains subject to regulatory clearances and other customary closing conditions. Upon closing, acquisition consideration will be paid, in part, with funds available for draw under our Revolving Credit Agreement.

Obligations under our purchase agreements and the MEDIFOX DAN acquisition agreement at June 30, 2022 were as follows (in thousands):

		Fiscal Years Ending June 30					
	Total	2023	2024	2025	2026	2027	Thereafter
Minimum purchase obligations	$ 1,707,951	$ 1,251,476	$ 440,067	$ 13,152	$ 1,431	$ —	$ 1,825
MEDIFOX DAN acquisition consideration	$ 994,245	$ 994,245	$ —	$ —	$ —	$ —	$ —
Total	$ 2,702,196	$ 2,245,721	$ 440,067	$ 13,152	$ 1,431	$ —	$ 1,825

(17) Restructuring Expenses

In November 2020, we closed our Portable Oxygen Concentrator business, which was part of the Sleep and Respiratory Care segment. During the year ended June 30, 2021, we recognized restructuring expenses of $13.9 million primarily related to inventory write-downs of $5.2 million, accelerated amortization of acquired intangible assets of $5.1 million, asset impairments of $2.3 million, employee-related costs of $0.7 million and contract cancellation costs of $0.6 million. Of the total expense recognized during year ended June 30, 2021, the inventory write-down of $5.2 million is presented within cost of sales and the remaining $8.7 million in restructuring costs is separately disclosed as restructuring expenses on the consolidated statements of operations. The restructure was completed as of June 30, 2021.

During the years ended June 30, 2022 and 2020 we did not incur material restructuring expenses.

SCHEDULE II
RESMED INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
June 30, 2022, 2021 and 2020

(in thousands)

	Balance at Beginning of Period	Charged to costs and expenses	Other (deductions)	Balance at End of Period
Year ended June 30, 2022				
Applied against asset account				
Allowance for trade accounts receivable	$ 32,138	$ 2,620	$ (11,499)	$ 23,259
Year ended June 30, 2021				
Applied against asset account				
Allowance for trade accounts receivable [(1)]	$ 30,013	$ 7,805	$ (5,680)	$ 32,138
Year ended June 30, 2020				
Applied against asset account				
Allowance for trade accounts receivable	$ 25,171	$ 18,283	$ (14,946)	$ 28,508

(1) Beginning balance is adjusted to reflect the cumulative pre-tax effect of adopting Accounting Standards Update No. 2016-13, “Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments” (Topic 326), effective July 1, 2021.

See accompanying report of independent registered public accounting firm.

RESMED INC. AND SUBSIDIARIES

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2022.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

RESMED INC. AND SUBSIDIARIES

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that:

(i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of June 30, 2022. In making this assessment, management used the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of our internal control over financial reporting. Management reviewed the results of its assessment with the audit committee of our board of directors.

Based on that assessment under the framework in Internal Control-Integrated Framework (2013), management concluded that the company's internal control over financial reporting was effective as of June 30, 2022.

KPMG LLP, independent registered public accounting firm, who audited and reported on the consolidated financial statements of ResMed Inc. included in this report, has issued an attestation report on the effectiveness of internal control over financial reporting.

RESMED INC. AND SUBSIDIARIES

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
ResMed Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited ResMed Inc. and subsidiaries' (the Company) internal control over financial reporting as of June 30, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of June 30, 2022 and 2021, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2022, and the related notes and financial statement schedule II (collectively, the consolidated financial statements), and our report dated August 11, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

San Diego, California
August 11, 2022

RESMED INC. AND SUBSIDIARIES

ITEM 9B OTHER INFORMATION

None.

RESMED INC. AND SUBSIDIARIES

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item is incorporated by reference from our definitive proxy statement for our next annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after June 30, 2022.

We have filed as exhibits to this report for the year ended June 30, 2022, the certifications of our chief executive officer and chief financial officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

Code of Conduct

We have adopted a Code of Business Conduct & Ethics that applies to our board of directors and all of our employees, including our chief executive officer and principal financial officer.

Our code of conduct is available at our website by visiting*https://investor.resmed.com/* and clicking through "Investors," "Corporate Governance," "Corporate Governance Documents," and "Code of Conduct -English." When required by the rules of the NYSE, or the Securities and Exchange Commission, or SEC, we will disclose any future amendment to, or waiver of, any provision of the code of conduct for our chief executive officer and principal financial officer or any member or members of our board of directors on our website within four business days following the date of such amendment or waiver

ITEM 11 EXECUTIVE COMPENSATION

Information required by this Item is incorporated by reference from our definitive proxy statement for our next annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after June 30, 2022.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item is incorporated by reference from our definitive proxy statement for our next annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after June 30, 2022.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated by reference from our definitive proxy statement for our next annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after June 30, 2022.

ITEM 14 PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this Item is incorporated by reference from our definitive proxy statement for our next annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after June 30, 2022.

RESMED INC. AND SUBSIDIARIES

PART IV

ITEM 15 EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

(a) Consolidated Financial Statements and Schedules – The index to our consolidated financial statements and schedules are set forth in the "Index to Consolidated Financial Statements" under Item 8 of this report.

(b) Exhibit Lists

2.1	Agreement and Plan of Merger, dated November 5, 2018, by and among ResMed Operations Inc., Evolved Sub, Inc., ResMed Inc., OPEL GI Holdings Limited, in its capacity as the agent acting on behalf of the holders of common stock of MatrixCare Holdings, Inc., and MatrixCare Holdings, Inc. (Incorporated by reference to Exhibit 2.1 to the Registrant's Report on Form 8-K filed on November 8, 2018)
3.1	First Restated Certificate of Incorporation of ResMed Inc., as amended. (Incorporated by reference to Exhibit 3.1 to the Registrant's Report on Form 10-Q for the quarter ended September 30, 2013)
3.2	Seventh Amended and Restated Bylaws of ResMed Inc., a Delaware Corporation (as Approved and Adopted by Board Resolution September 10, 2021) (Incorporated by reference to Exhibit 3.1 to the Registrant's Report on Form 8-K filed on September 13, 2021)
4.1	Form of certificate evidencing shares of Common Stock. (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (No. 33-91094) declared effective on June 1, 1995)
4.2	Description of ResMed Inc.'s securities registered pursuant to Section 12 of the Securities Exchange Act of 1934(Incorporated by reference to Exhibit 4.2 to the Registrant's Report on Form 10-K filed on August 13, 2020)
10.1*	Form of Indemnification Agreements for our directors and officers.(Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on June 24, 2009)
10.2*	Form of Access Agreement for directors. (Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K filed on June 24, 2009)
10.3*	Updated Form of Executive Agreement.
10.4*	Amendment and Restatement to the ResMed Inc. 2009 Incentive Award Plan.(Incorporated by reference to Appendix B of ResMed Inc.'s Proxy Statement filed with the Securities and Exchange Commission on September 25, 2017)
10.5*	ResMed Inc. Deferred Compensation Plan. (Incorporated by reference to Exhibit 4.4 to the Registrant's Report on Form S-8 filed on May 21, 2021)
10.6*	Form of Restricted Stock Unit Award Agreement for Directors.
10.7*	Form of Stock Option Grant for Executive Officers.
10.8*	Form of Stock Option Grant for Directors.
10.9*	Form of Performance-Based Restricted Stock Unit Award Agreement for Executive Officers.
10.10*	Form of Executive Restricted Stock Unit Award Agreement for Executive Officers.
10.11	Second Amended and Restated Credit Agreement dated as of June 29, 2022, by and among ResMed Inc., as borrower, MUFG Union Bank, N.A., as administrative agent, joint lead arranger, sole book runner, swing line lender and letter of credit issuer, Westpac Banking Corporation, as syndication agent and joint lead arranger, HSBC Bank Australia Limited, as syndication agent and joint lead arranger, HSBC Bank USA, National Association, as syndication agent and joint lead arranger, Wells Fargo Bank, National Association, as documentation agent, and each of the lenders identified therein. (Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on June 29, 2022)
10.12	Second Amended and Restated Unconditional Guaranty dated as of June 29, 2022, by each of the Revolving Facility Guarantors, in favor of MUFG Union Bank, N.A., in its capacity as administrative agent under the Revolving Credit Agreement. (Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K filed on June 29, 2022)

10.13	Second Amendment to Syndicated Facility Agreement and First Amendment to Unconditional Guaranty Agreement, dated as of June 29, 2022, by and among ResMed Pty Limited, as borrower, ResMed, Inc., the other parties party thereto, and MUFG Union Bank, N.A., as administrative agent. (Incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K filed on June 29, 2022)
10.14	Unconditional Guaranty dated as of April 17, 2018, by each of the guarantors identified on the Term Facility Guaranty's signature pages as a guarantor, in favor of MUFG Union Bank, N.A., in its capacity as administrative agent under the Term Credit Agreement. (Incorporated by reference to Exhibit 10.4 to the Registrant's Report on Form 8-K filed on April 19, 2018).
10.15	The ResMed Inc. 2018 Employee Stock Purchase Plan. (Incorporated by reference to Appendix B of ResMed Inc.'s Proxy Statement filed with the Securities and Exchange Commission on October 3, 2018.)
10.16	Note Purchase Agreement, dated July 10, 2019 by and among ResMed Inc. and the purchasers party to that agreement (including form of 3.24% Series A Senior Note due 2026, form of Series B 3.45% Senior Note due 2029, and form of Subsidiary Guaranty Agreement). (Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on July 15, 2019)
10.17	Separation Agreement and General Release of Claims, dated September 29, 2021, by and between Rajwant Sodhi and ResMed Inc., including Consulting Agreement, as Exhibit A, effective as of September 2, 2021. (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on January 27, 2022)
21.1	Subsidiaries of the Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from ResMed Inc.'s Annual Report on Form 10-K for the fiscal year ended June 30, 2022 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Stockholders' Equity and Comprehensive Income, (iv) the Consolidated Statements of Cash Flows and (v) related notes.

* Management contract or compensatory plan or arrangement

ITEM 16 FORM 10-K SUMMARY

None.

RESMED INC. AND SUBSIDIARIES

SIGNATURES

Under the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the authorized persons below.

DATED August 11, 2022

ResMed Inc.

/s/ **MICHAEL J. FARRELL**

Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

RESMED INC. AND SUBSIDIARIES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ MICHAEL J. FARRELL Michael J. Farrell	Chief executive officer and director (Principal Executive Officer)	August 11, 2022
/S/ BRETT A. SANDERCOCK Brett A. Sandercock	Chief financial officer (Principal Financial Officer and Principal Accounting Officer)	August 11, 2022
/S/ PETER C. FARRELL Peter C. Farrell	Non-executive chairman	August 11, 2022
/S/ CAROL J. BURT Carol J. Burt	Director	August 11, 2022
/S/ JAN De WITTE Jan De Witte	Director	August 11, 2022
/S/ KAREN DREXLER Karen Drexler	Director	August 11, 2022
/S/ HARJIT GILL Harjit Gill	Director	August 11, 2022
/S/ JOHN HERNANDEZ John Hernandez	Director	August 11, 2022
/S/ RICHARD SULPIZIO Richard Sulpizio	Director	August 11, 2022
/S/ DESNEY TAN Desney Tan	Director	August 11, 2022
/S/ RON TAYLOR Ron Taylor	Director	August 11, 2022

EXECUTIVE AGREEMENT
Executive Officer

This Executive Agreement (this "Agreement") is made effective as of the ____ day of _____, 20__ (the "Effective Date") between ResMed Inc., a Delaware corporation and its subsidiaries (collectively, the "Company") and _____ ("Executive").

WHEREAS, the Company currently employs Executive as an executive officer of the Company; and

WHEREAS, the Company believes it to be in the best interests of its stockholders to attract, retain and motivate key officers and to ensure continuity of management, and that this will further those interests; and

WHEREAS, the Company recognizes that the possibility of a Change of Control of the Company may result in the departure of key executives to the detriment of the Company and its stockholders.

In consideration of Executive's continued employment as an executive officer with the Company and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Term of Agreement

A. This Agreement shall be for an initial term that continues in effect, through the third anniversary of the Effective Date. The term of this Agreement shall automatically be extended for one or more additional terms of three (3) years each. This Agreement may be terminated effective as of the last day of any of the initial or extended term, provided that written notice of such termination is provided to Executive prior to the date that is 60 days before the last day of such term.

B. Notwithstanding the foregoing, the term of this Agreement shall terminate upon the expiration of the "Restricted Period", subject to all rights and benefits hereunder having been paid and satisfied in full.

2. Certain Definitions

A. "Short-term Incentive Amount" shall mean ___% of Executive's Termination Base Salary.

B. "Cause" shall mean:

(i) Executive's conviction or plea of guilty or nolo contendere of a misdemeanor involving moral turpitude, dishonesty or a breach of trust as regards the Company or any subsidiary of the Company or Executive's conviction or plea of guilty or nolo contendere of a felony; or

(ii) Executive's commission of any act of theft, fraud, embezzlement or misappropriation against the Company, regardless of whether a criminal conviction is obtained; or

(iii) Executive's willful and continued failure to devote substantially all of Executive's business time to the Company's business affairs, (excluding failures due to illness, incapacity, vacations, incidental civic activities and

incidental personal time) or Executive's material breach of the terms of any employment-related agreement with the Company, which failure or breach is not remedied within a reasonable time after written demand is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Executive has failed to devote substantially all of Executive's business time to the Company's business affairs or has breached such agreement; or

(iv) Executive's willful failure to comply with any corporate policies, which failure results or is likely to result in substantial injury, financial or otherwise, to the Company or its reputation, or a violation of any corporate policy relating to harassment, discrimination, or sexual misconduct (including, but not limited to, such actions based on sex, gender, gender expression, race, religion, national origin, or other protected class);

(v) Executive's unauthorized disclosure or use of confidential information of the Company, which results or is likely to result in substantial injury, financial or otherwise, to the Company or its reputation; or

(vi) Executive's willful violation of any rules or regulations of any governmental or regulatory body, which violation results or is likely to result in substantial injury, financial or otherwise, to the Company or its reputation; or

(vii) Executive's abuse of drugs, alcohol or illegal substances (to the extent not inconsistent with the Americans with Disability Act or similar state law), which results or is likely to result in substantial injury, financial or otherwise, to the Company or its reputation.

C. "Change of Control" of the Company means the occurrence of any of the following events for purposes of this Agreement:

(i) a transaction or series of transactions whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition, other than:

(a) an acquisition by an employee benefit plan or any trustee holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company; or

(b) an acquisition by the Company or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company; or

(c) an acquisition pursuant to the offering of shares of Common Stock by the Company to the general public through a registration statement filed with the Securities and Exchange Commission; or

(d) an acquisition of voting securities pursuant to a transaction described in clause (iii) below that would not be a Change of Control under clause (iii);

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however,* that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered to be members of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office was a result of an actual or threatened election contest with respect to the election or removal of directors; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(a) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Successor Entity) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction; or

(b) after which more than 50% of the members of the board of directors of the Successor Entity were members of the Incumbent Board at the time of the Board's approval of the transaction or the agreement providing for the transaction.

(iv) The Company's stockholders approve a liquidation or dissolution of the Company.

For purposes of subsection (i) above, the calculation of voting power shall be made as if the date of the acquisition were a record date for a vote of the Company's stockholders, and for purposes of subsection (iii) above, the calculation of voting power shall be made as if the date of the consummation of the transaction or at the consummation of the last of a series of related transactions were a record date for a vote of the Company's stockholders. For purposes of subsection (iii) "Successor Entity" means the Company or the "person" that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company.

D. "Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

E. "Date of Termination" shall mean the date of Executive's Separation from Service.

F. "Disability" shall mean a physical or mental incapacity as a result of which Executive becomes unable to continue the proper performance of Executive's duties hereunder for six consecutive calendar months or for shorter periods aggregating 180 business days in any 12-month period, but only to the extent that such definition does not violate the Americans with Disabilities Act.

G. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

H. "Equity Plans" shall mean the Company's stock option plans, restricted stock plans, incentive plans, equity participation plans, or other similar plans, and any stock option or restricted stock agreements or other award agreements used in connection therewith.

I. "Executive" shall mean the executive officer of the Company who is a party to this Agreement. In the event of the Executive's death after becoming entitled to any payment, benefit or right under Section 3 or 4, but prior to the receipt of such payment or benefit or exercise of any right, then the term "Executive" shall include Executive's estate.

J. "Good Reason" shall mean any of the following material negative circumstances that occurs without the express written consent of Executive, if Executive has given the Company written notice ("Notice of Good Reason") within 90 days of the initial existence of such circumstances and the Company has failed to cure such circumstances within 30 days of such notice:

(i) The assignment to Executive by the Company of duties, responsibilities, authority, or reporting relationship that are materially diminished when compared to Executive's duties, responsibilities, authority, or reporting relationship with the Company immediately prior to the Change of Control (including no longer reporting to the chief executive officer or board of the parent company), except in connection with the termination of Executive's employment for Cause, death or Disability or by Executive other than for Good Reason; or

(ii) A material reduction by the Company in Executive's base salary as in effect at the time of the Change of Control; or

(iii) Any material diminution by the Company in the aggregate benefits provided to Executive under the Company's benefit plans and arrangements in which Executive is participating at the time of the Change of Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan or arrangement; or

(iv) Any failure by the Company to continue in effect, or any material reduction in target short-term incentive opportunity or any material increase in target performance objectives under, any short-term incentive or incentive plan or arrangement in which Executive is participating at the time of the Change of Control, which results in a material negative change in Executive's short-term incentive or incentive compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan or arrangement with a comparable target short-term incentive opportunity and comparable target performance objectives; or

(v) Any material diminution by the Company in the budget over which Executive retains authority at the time of the Change of Control;

(vi) Any action by the Company that either:

(A) requires Executive be based anywhere that is at least fifty (50) miles away from both (i) Executive's office location as of the date of the Change of Control and (ii) Executive's then primary residence, except for required travel by Executive on the Company's business; or

(B) changes the Company's remote work policies in a way that substantially restricts Executive's ability to perform Executive's duties and responsibilities remotely, except for required travel by Executive on the Company's business; or

(vii) Any failure by the Company to obtain the assumption of this Agreement by any successor or assign of the Company; or

(viii) Any other action or inaction by the Company that constitutes a material breach by the Company of the agreement under which Executive provides services to the Company at the time of the Change of Control.

For these purposes, a material reduction of Executive's base salary or target short-term incentive opportunity will be deemed to have occurred if the salary or target short-term incentive opportunity has been reduced by 10% or more from the base salary or target short-term incentive opportunity, as applicable, in effect at the time of the Change of Control.

Executive's voluntary termination of employment for Good Reason must occur not later than two years after the initial existence of the circumstances constituting "Good Reason."

K. "Notice of Termination" shall mean a written notice delivered to the other party indicating the specific termination provision in this Agreement relied upon for termination of Executive's employment and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. Any purported termination by either party other than pursuant to a Notice of Termination shall not be effective.

L. "Payment Date" shall mean the later of the Separation from Service or the date of the Change of Control.

M. "Restricted Period" shall mean the period of one (1) year following the Date of Termination of Executive, which termination is covered by Section 3 hereof.

N. "Separation from Service" of Executive shall mean Executive's termination of employment with the Company and its subsidiaries and if Executive's compensation is subject to taxation under the Code such termination must also qualify as a "separation from service," as defined in Treasury Regulation Section 1.409A-1(h).

O. "Termination Base Salary" shall mean the greatest annual rate of Executive's base salary in effect during the three-year period ending on the Date of Termination.

3. Change of Control Benefits.

A. In the event that:

(i) Executive provides Notice of Good Reason at any time during the six-month period prior to the date of a Change of Control, or during the twelve (12) month period commencing on the date of a Change of Control, and Executive has a Separation from Service by reason of Executive's voluntary termination of employment for Good Reason, or

(ii) Executive has a Separation from Service by reason of the Company's termination of Executive's employment other than for Cause during the six-month period prior to the date of the Change of Control (and such termination is at the request of the successor entity of such Change of Control, or is otherwise made in anticipation of the Change of Control), or during the twelve (12) month period commencing on the date of the Change of Control,

then Executive shall receive the benefits from the Company as provided under Section 3.B. A portion of the benefits provided under Section 3.B is deemed consideration for Executive's covenants under Section 13.

B. The benefits to be provided by the Company in the event of a Separation from Service covered by Section 3.A shall be as follows:

(i) The Company shall pay to Executive when otherwise due Executive's then effective base salary through the Date of Termination.

(ii) The Company shall pay to Executive an amount equal to _____ times Executive's Termination Base Salary, payable in a lump sum within thirty (30) days following the Payment Date; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4).

(iii) The Company shall pay to Executive an amount equal to _____ times the higher of (i) the highest actual annual short-term incentive received by Executive during the three years prior to the fiscal year in which the Date of Termination occurs, or (ii) Executive's Short-term Incentive Amount, payable in a lump sum within thirty (30) days following such Payment Date; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4).

(iv) In consideration of service through the Date of Termination, the Company shall pay to Executive Executive's Short-term Incentive Amount, pro-rated through and including the Date of Termination (on the basis of a 365 day year), payable in a lump sum within thirty (30) days following the Payment Date; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4).

(v) Notwithstanding any provisions to the contrary in any of the Company's Equity Plans, (i) all outstanding unvested stock options of Executive shall be and become fully vested and exercisable as to all shares of stock covered thereby, and (ii) all outstanding shares of restricted stock, all restricted shares, restricted stock units, performance shares and performance units of Executive shall be and become vested and nonforfeitable and all restrictions thereon shall lapse, in each case as of the Date of Termination. The number of shares to become vested under Total Shareholder Return performance stock unit grants will be determined under the prorated calculation described in Appendix II of the grant agreement.

(vi) The Company shall pay to Executive an amount equal to _____ times the annual amount the Company would be required to contribute on Executive's behalf to the 401(k) plan, deferred compensation plan, superannuation plan, government or private pension plan, and any similar plan then in effect, based on Executive's Termination Base Salary and the applicable maximum Company contribution percentages in effect as of the Date of Termination, payable in a lump sum within thirty (30) days following the Payment Date; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4).

(vii) Effective as of the Payment Date, Executive shall become and be fully vested in Executive's accrued benefits under all qualified pension, nonqualified pension, profit sharing, 401(k), deferred compensation, superannuation plan, government or private pension plan, and supplemental plans maintained by the Company for Executive's benefit, except to that the extent the acceleration of vesting of such benefits would violate any applicable law or require the Company to accelerate the vesting of the accrued benefits of all participants in such plan or plans, in which case the Company shall pay Executive a lump sum payment, within thirty (30) days following the Payment Date, in an amount equal to the present value of such unvested accrued benefits; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4). In addition, if such a lump sum payment is payable, the Company shall make an additional gross-up payment to Executive in an amount such that the net amount of the lump sum payment and such additional gross-up payment retained by Executive, after the calculation and deduction of all federal, foreign, state and local income tax and employment tax (including any interest or penalties imposed with respect to such taxes) on such lump sum payment and additional gross-up payment, and taking into account any lost or reduced tax deductions on account of such gross-up payment, shall be equal to such lump sum payment. Such additional gross-up payment shall be made in a lump sum payment within thirty (30) days following the Payment Date; provided, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4).

(viii) The Company shall provide Executive with additional benefits described in Section 4 hereof.

4. Additional Benefits.

A. Medical and Dental Health Benefits Premiums. In the event of a Separation from Service covered by Section 3.A, the Company shall pay to Executive an amount equal to _____ multiplied times the Medical and Dental Premium (as defined below), payable in a lump sum within thirty (30) days following the Payment Date; *provided*, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4). For purposes of this Section 4.A, the "Medical and Dental Premium" shall equal: (i) the monthly premium for the COBRA Continuation Coverage (determined as of the Date of Termination), less (ii) the monthly contribution required to be paid by Executive for the coverage for Executive and Executive's family under the Company's group medical and dental benefits plan (as in effect on the Date of Termination). For purposes of this Section 4.A, "COBRA Continuation Coverage" shall mean the continuation coverage required to be provided to Executive and Executive's family under the Company's group medical and dental benefits plans following Executive's Separation from Service in accordance with Title I, Subtitle B, Part 6 of ERISA and Section 4980B(f) of the Code (and if Executive is not a resident or citizen of the United States, and receives medical or dental benefits from the Company, then the calculation will presume Executive would be so covered by such provisions of ERISA and the Code).

In addition, the Company shall make an additional lump sum gross-up payment to Executive in an amount such that the net amount of the lump sum payment and such additional lump sum gross-up payment retained by Executive, after the calculation and deduction of all federal, state and local income tax and employment tax (including any interest or penalties imposed with respect to such taxes) on such lump sum payment and additional lump sum gross-up payment, and taking into account any lost or reduced tax deductions on account of such gross-up payment, shall be equal to such lump sum payment. Such additional lump sum gross-up payment shall be made in a lump sum payment within thirty (30) days following the Payment Date; provided, that, in no event shall such lump sum payment be paid after the last day of the applicable two and one half month period of the "short-term deferral" exemption under Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding the foregoing, with regard to any such additional lump sum gross-up payment, if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a comparable payment or benefit in a manner that preserves the intended economic benefit of such amount.

B. Relocation Expenses. In the event of a Separation from Service covered by Section 3.A, the Company shall honor any separate agreement it has entered into with Executive to reimburse Executive upon termination of employment in an amount equal to the expenses incurred by Executive in connection with Executive's relocation at the request of the Company; provided that notwithstanding the terms of such agreement, all such payments shall be made in a lump sum payment within thirty (30) days following the Payment Date. If the Company has not entered into a separate agreement with Executive regarding reimbursement of expenses incurred in relocation, then no amounts shall be payable to Executive pursuant to this Section 4.B.

5. Best Pay Provision.

A. Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by Executive (including any payment or benefit received in connection with a change in ownership or control of the Company, including a Change of Control, or the termination of Executive's employment, including a Separation from Service, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Sections 3 and 4 of this Agreement, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash severance payments shall first be reduced, and the noncash severance payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). The Total Payments shall be reduced by the Company in its reasonable discretion in the following order: (w) reduction of any cash severance payments otherwise payable to Executive that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to Executive that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any stock option or other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any stock option or other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any stock option or other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, provided, that reduction of any payments attributable to accelerating vested stock options or other equity awards shall be first applied to stock options and equity awards that would otherwise vest last in time.

B. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of Company's independent certified public accounts, or the independent auditors of nationally recognized standing selected by the Company, as determined by the Company (the "Accountants"), does not constitute a "parachute payment" within the meaning of

Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Accountants, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (iii) the value of any non cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accountants in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

6. Compliance with and Exemption from Section 409A of the Code.

A. Certain payments and benefits payable under this Agreement are intended to comply with, or be exempt from, the requirements of Section 409A of the Code. This Agreement shall be interpreted in accordance with the applicable requirements of, and exemptions from, Section 409A of the Code and the Treasury Regulations thereunder. To the extent the payments and benefits under this Agreement are subject to Section 409A of the Code, this Agreement shall be interpreted, construed and administered in a manner that satisfies the requirements of Sections 409A(a)(2), (3) and (4) of the Code, the Treasury Regulations thereunder and any applicable transitional relief or other authority thereunder. If the Company and Executive determine that any compensation, benefits or other payments that are payable under this Agreement and intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, the Treasury Regulations thereunder and other applicable authority issued by the Internal Revenue Service, to the extent permitted under Section 409A of the Code, the Treasury Regulations thereunder and any applicable authority issued by the Internal Revenue Service, the Company and Executive agree to amend this Agreement, or take such other actions as the Company and the Executive deem reasonably necessary or appropriate, to cause such compensation, benefits and other payments to comply with the requirements of Section 409A of the Code, the Treasury Regulations thereunder and other applicable authority issued by the Internal Revenue Service, while providing compensation, benefits and other payments that are, in the aggregate, no less favorable then the compensation, benefits and other payments provided under this Agreement. In the case of any compensation, benefits or other payments that are payable under this Agreement and intended to comply with Sections 409A(a)(2), (3) and (4) of the Code, if any provision of the Agreement would cause such compensation, benefits or other payments to fail to so comply, such provision shall not be effective and shall be null and void with respect to such compensation, benefits or other payments, to the extent such provision would cause a failure to comply and such provision shall otherwise remain in full force and effect.

B. If Executive is a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), on the date of Executive's Separation from Service, to the extent required by Section 409A of the Code and the Treasury Regulations thereunder, any payments or benefits under this Agreement subject to Section 409A of the Code shall be delayed in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, and such payments or benefits shall be paid or distributed to Executive during the thirty (30) day period commencing on the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service or (ii) the date of the Executive's death. Upon the expiration of the applicable six-month period under Section

409A(a)(2)(B)(i) of the Code, all payments deferred pursuant to this Section 6 shall be paid in a lump sum payment to Executive.

C. In any case where Executive's Date of Termination and the Release Expiration Date (as defined in Section 13.E, below) fall in two separate taxable years, any payments required to be made to executive that are conditioned on a release of claims under Section 13.E and constitute nonqualified deferred compensation for purposes of Code Section 409A shall be made in the later taxable year.

D. The provisions of this Section 6 shall be effective only if Executive's compensation is subject to taxation under the Code. This Agreement is not intended to provide for any deferral of compensation subject to Code Section 409A and, accordingly, the benefits provided pursuant to this Agreement shall be paid not later than the later of: (i) the fifteenth day of the third month following Executive's first taxable year in which such benefit is no longer subject to a substantial risk of forfeiture, and (ii) the fifteenth day of the third month following the first taxable year of the Company in which such benefit is no longer subject to a substantial risk of forfeiture, as determined in accordance with Code Section 409A and Treasury Regulation Section 1.409A-1(b)(4). For purposes of this Section 6.D, "substantial risk of forfeiture" shall have the meaning set forth in Treasury Regulation Section 1.409A-1(d). Notwithstanding the provisions of this Section 6, the timing of the settlement of equity awards, that may constitute nonqualified deferred compensation for purposes of Code Section 409A, will be governed by the provisions of those agreements.

7. Mitigation.

Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise nor, except as provided in Section 4.A, shall the amount of any payment or benefit provided for in this Agreement be reduced by any compensation earned or benefit received by Executive as the result of employment by another employer or self-employment, by retirement benefits, by offset against any amount claimed to be owed by Executive to the Company or otherwise.

8. Successor Agreement.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume this Agreement and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place. All references herein to Company shall include the successor entity.

9. Indemnity.

In any situation where under applicable law the Company has the power to indemnify, advance expenses to and defend Executive in respect of any judgments, fines, settlements, loss, cost or expense (including attorneys fees) of any nature related to or arising out of Executive's activities as an agent, employee, officer or director of the Company or in any other capacity on behalf of or at the request of the Company, then the Company shall promptly on written request, indemnify Executive, advance expenses (including attorney's fees) to Executive and defend Executive to the fullest extent permitted by applicable law, including but not limited to making such findings and determinations and taking any and all such actions as the Company may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification,

advancement or defense. Such agreement by the Company shall not be deemed to impair any other obligation of the Company respecting Executive's indemnification or defense otherwise arising out of this or any other agreement or promise of the Company under any statute.

10. Notice.

For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and delivered by United States certified or registered mail (return receipt requested, postage prepaid) or by courier guaranteeing overnight delivery or by hand delivery (with signed receipt required), addressed to the respective addresses set forth below, and such notice or communication shall be deemed to have been duly given two days after deposit in the mail, one day after deposit with such overnight carrier or upon delivery with hand delivery. The addresses set forth below may be changed by a writing in accordance herewith.

The Company:

ResMed Inc.
9001 Spectrum Center Blvd.
San Diego, CA 92123
Attn: Chief Executive Officer
with a copy to General Counsel

Executive:

11. Dispute Resolution.

If any dispute arises out of this Agreement, the “complaining party” shall give the “other party” written notice of such dispute. The other party shall have ten (10) business days to resolve the dispute to the complaining party's satisfaction. If the dispute is not resolved by the end of such period, the complaining party may by written notice (the “Notice”) demand arbitration of the dispute as set out below, and each party hereto expressly agrees to submit to, and be bound by, such arbitration.

A. Each party will, within ten (10) business days of the Notice, nominate an arbitrator. Each nominated arbitrator must be someone experienced in dispute resolution and of good character without moral turpitude and not within the employ or direct or indirect influence of the nominating party. The two nominated arbitrators will, within ten (10) business days of nomination, agree upon a third arbitrator. If two (2) appointed arbitrators cannot agree on a third arbitrator within such period, the parties may seek such an appointment through any permitted court proceeding or by the American Arbitration Association (“AAA”). The three arbitrators will set the rules and timing of the arbitration, but will generally follow the rules of the AAA and this Agreement where same are applicable and shall provide for written fact findings.

B. The arbitration hearing will in no event take place more than ninety (90) days after the appointment of the third arbitrator.

C. The arbitration will take place in San Diego County, California, unless otherwise unanimously agreed to by the parties.

D. The results of the arbitration and the decision of the arbitrators will be final and binding on the parties and each party agrees and acknowledges that these results shall be enforceable in a court of law.

E. Reimbursement of Legal Fees.

(i) Subject to subsection (ii), the prevailing party (*i.e*., the Company or Executive, or in the event of Executive's death or Disability, Executive's representative) shall be entitled to reimbursement for all legal fees and expenses (including but not limited to fees and expenses in connection with any arbitration) incurred by such party in disputing any issue arising under this Agreement relating to Executive's Separation from Service or in seeking to obtain or enforce any benefit or right provided by this Agreement.

(ii) The prevailing party shall be reimbursed for legal fees and expenses pursuant to subsection (i) above only to the extent the arbitrator or court determines the following: (x) such party disputed such issue, or sought to obtain or enforce such benefit or right, in good faith, (y) such party had a reasonable basis for such claim, and (z) such party is the prevailing party. In addition, in the event Executive is the prevailing party, the Company shall reimburse such legal fees and expenses only if such legal fees and expenses are incurred during the five (5) year period beginning on the date of Executive's Separation from Service. The legal fees and expenses, if any, paid to Executive for any taxable year of Executive shall not affect the legal fees and expenses paid to Executive for any other taxable year of Executive. The legal fees and expenses, if any, shall be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the fees or expenses are incurred. Executive's right to reimbursement of legal fees and expenses shall not be subject to liquidation or exchange for any other benefit. Such right to reimbursement of legal fees and expenses shall be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv). If Executive is a "specified employee" on the date of Executive's Separation from Service, such right to reimbursement of legal fees and expenses shall be paid as provided in Section 6.B hereof.

12. Governing Law.

This Agreement will be governed by and construed in accordance with the internal substantive laws, and not the choice of law rules, of the State of Delaware.

13. Non-Competition, Non-Solicitation, Confidentiality and Non-Disparage Covenants.

A. Non-Competition. Executive acknowledges that he has been provided and will continue to be provided trade secret information of the Company in connection with Executive's duties as an employee and officer of the Company. Executive agrees that in order to prevent the misuse of trade secret information, (x) during the term of this Agreement, and (y) provided that Executive is not located in and does not relocate to the State of California during the term of this Agreement or the Restricted Period and in consideration of a portion of the payments being provided to Executive under Sections 3.B.(ii), (iii) and (vi) and a portion of the accelerated vesting provided under Sections 3.B.(v), throughout the Restricted Period, in each case, Executive shall not, anywhere in the world, directly or indirectly (i) engage without the prior express written consent of the Company, in any business or activity, whether as an employee, consultant, partner, principal, agent, representative, stockholder (except as a holder of less than 2% of the combined voting power of the outstanding stock of a publicly held

company) or in any other individual, corporate or representative capacity, or render any services or provide any advice to any business, activity, person or entity, if Executive knows or reasonably should know that such business, activity, service, person or entity, directly or indirectly, competes in any material manner with the Business; or (ii) meaningfully assist, help or otherwise support, without the prior express written consent of the Company, any person, business, corporation, partnership or other entity or activity, whether as an employee, consultant, partner, principal, agent, representative, stockholder (other than in the capacity as a stockholder of less than 2% of the combined voting power of the outstanding shares of stock of a publicly held company) or in any other individual, corporate or representative capacity, to create, commence or otherwise initiate, or to develop, enhance or otherwise further, any business or activity if Executive knows or reasonably should know that such business or activity, directly or indirectly competes in any material manner with the Business. For purposes of this Section 13, the term "Business" shall refer to the business of the Company as conducted on the Date of Termination. As of the date of this Agreement, the business of the Company, generally, involves the development, manufacture and distribution of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders. Executive acknowledges that the restrictions set forth in this Section 13.A. do not have the effect of preventing Executive from practicing Executive's profession, trade or business, and they do not impose a financial hardship upon Executive. Executive agrees that, in addition to any other remedies available to the Company under applicable law, in the event of a breach of this Section 13.A.: (1) Executive shall immediately return (or otherwise pay) to the Company the twenty percent (20%) of the payments made under Sections 3.B.(ii), (iii) and (vi); and (2) twenty percent (20%) of all unexercised options, all shares of restricted stock and all other equity awards vested pursuant to Sections 3.B.(v) shall be surrendered by Executive and cancelled (or as to shares sold, the then current value of such shares shall be paid by Executive to the Company; and (3) with respect to twenty percent (20%) to any options vested pursuant to Section 3.B.(v) that were exercised, Executive shall pay to the Company an amount equal to the difference between the exercise price and the closing price of such shares on the date of exercise multiplied by the number of shares subject to the options exercised. Executive acknowledges that twenty percent (20%) of the payment required under Sections 3.B.(ii), (iii) and (vi) and twenty percent (20%) of the accelerated vesting provided for under Section 3.B.(v) are provided to Executive solely in exchange for Executive's agreement under this Section 13.A.

B. Non-Solicitation. As an additional inducement for the Company to enter into this Agreement, Executive agrees that during the term of this Agreement and throughout the Restricted Period, Executive shall not, directly or indirectly solicit any person in the employment of the Company to (i) terminate such employment, or (ii) accept employment, or enter into any consulting arrangement, with anyone other than the Company.

C. Confidentiality. Throughout the term of this Agreement, the Restricted Period and thereafter, Executive shall not, directly or indirectly, use for Executive's personal benefit or for the benefit of any person, firm, corporation, association or other entity other than the Company, or disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below). Executive agrees that, upon termination of Executive's employment with the Company, all Confidential Information in Executive's possession that is in writing or other tangible form (together with all copies or duplicates thereof, including computer

files) shall be returned to the Company and shall not be retained by Executive or furnished to any third party, in any form except as provided herein; *provided*, *however*, that Executive shall not be obligated to treat as confidential, or return to the Company copies of any Confidential Information that (i) was publicly known at the time of disclosure to Executive, (ii) becomes publicly known or available thereafter other than by any means in violation of this Agreement or any other duty owed to Company by any person or entity, or (iii) is lawfully disclosed to Executive by a third party. As used in this Agreement, the term "Confidential Information" means: information disclosed to Executive or known by Executive as a consequence of or through Executive's relationship with the Company, about the customers, employees, business methods, operations, public relations, contracts, organization, procedures, finances, customer lists, rates and prospects of the Company and its affiliates.

D. Non-Disparage. Executive shall refrain during the term of this Agreement and throughout the Restricted Period, from publishing any oral or written statements about Company, any of its affiliates or any of Company's or such affiliates' directors, officers, employees, consultants, agents or representatives that (i) are slanderous, libelous or defamatory, (ii) disclose private information about or confidential information of Company, any of its affiliates or any of Company's or any such affiliates' business affairs, directors, officers, employees, consultants, agents or representatives, or (iii) place Company, any of its affiliates, or any of Company's or any such affiliates' directors, officers, employees, consultants, agents or representatives in a false light before the public. A violation or threatened violation of this prohibition may be enjoined by the courts. The rights afforded Company and its affiliates under this provision are in addition to any and all rights and remedies otherwise afforded by law. Nothing in this agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful.

E. General Release. As an additional inducement for the Company to enter into this Agreement, and as a condition to payment and provision of benefits under this Agreement to Executive or Executive's estate, Executive agrees that Executive (or Executive's trust or estate, as applicable) shall execute and deliver to the Company within twenty-one (21) days (or such other period as required by law) following Executive's Separation from Service, and not revoke within any revocation period required by law (the "Release Expiration Date'), a general release of claims in favor of the Company and its employees, directors, agents and affiliates in a form acceptable to the Company in its sole and absolute discretion.

F. Remedies. Executive agrees and acknowledges that Executive's right to receive any of the benefits set forth in Sections 3 and 4 (to the extent Executive is otherwise entitled to such payments) is conditioned upon Executive's compliance with the covenants in this Section 13, and all benefits granted to Executive under this Agreement shall terminate immediately upon Executive's breach of any covenant in this Section 13 and Executive shall be responsible for refunding to the Company the benefits previously received under this Agreement. Notwithstanding the foregoing, in the event of a violation or breach of Section 13.A. the parties hereby agree that such a violation or breach shall be remedied as provided in Section 13.A.

G. Reasonable Restrictions. Executive acknowledges that these restrictions shall not prevent or unduly restrict Executive from practicing Executive's profession,

or cause Executive economic hardship. Executive represents that Executive (i) is familiar with the foregoing covenants not to compete and not to solicit, and (ii) is fully aware of the obligations hereunder, including, without limitation, the reasonableness of the length of time, scope and geographic coverage of these covenants.

14. Other Severance Payments or Benefits.

In the event Executive's employment is terminated and such termination qualifies for benefits under Section 3 of this Agreement, the payments and benefits provided for in Sections 3 and 4 of this Agreement will be provided in lieu of any other severance payment or benefit under any other plan or program of the Company or agreement between Executive and the Company.

15. Cooperation.

During Executive's employment with the Company and thereafter, Executive agrees to cooperate with the Company and its agents, accountants and attorneys concerning any matter with which Executive was involved during Executive's employment. Such cooperation shall include, but not be limited to, providing information to, meeting with and reviewing documents provided by the Company and its agents, accountants and attorneys during normal business hours or other mutually agreeable hours upon reasonable notice and to be available for depositions and hearings, if necessary and upon reasonable notice. If Executive's cooperation is required after the termination of Executive's employment, the Company shall reimburse Executive for any reasonable out of pocket expenses incurred in performing the obligations hereunder.

16. Entire Agreement; No Oral Modifications. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of the subject matter contained herein. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and such officer as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

17. Severability; Enforceability.

If at any time any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, including by reason of being vague or unreasonable as to geographic area, duration or scope of activity, this Agreement shall be considered divisible and shall become and be immediately amended only as to such invalid or unenforceable provision as shall be determined to be reasonable and enforceable by a court of competent jurisdiction. The parties hereby agree that this Agreement as so amended shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement to be effective the date first above written.

EXECUTIVE

_____

RESMED INC.,
a Delaware corporation

By _____
And _____

Exhibit 10.6

Non-Employee Directors

ResMed Inc.

Summary for Restricted Stock Unit

Award Agreement

1. Participant Name: [PARTICIPANT NAME]
2. Grant Date: [GRANT DATE]
3. Total Number of RSUs Granted: [QUANTITY GRANTED]
4. Vesting Schedule. Subject to the terms of the Agreement, the RSUs shall vest and become nonforfeitable at the earlier of (i) the first November 11 following the Grant Date, or (ii) the date of the first annual meeting of stockholders of the Company following the Grant Date.

Please refer to Appendix: Vesting Schedule

RESMED INC.

DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT

This Director Restricted Stock Unit Award Agreement, including any terms and conditions set forth in Appendices I and II hereto (collectively, the "Agreement") sets forth the terms and conditions of the restricted stock units ("Restricted Stock Units" or "RSUs") granted by ResMed Inc., a Delaware corporation (the "Company"), under the ResMed Inc. 2009 Incentive Award Plan, as amended from time to time (the "Plan"), and pursuant to the Summary of Restricted Stock Unit Award Grant (the "Summary") displayed at the Web site of the Company's plan administrator. The Summary specifies the person to whom the RSUs are granted ("Holder"), the grant date of the RSUs (the "Grant Date"), the vesting schedule of the RSUs (the "Vesting Schedule"), the aggregate number of RSUs granted to Holder, and other specific details of the grant. The Summary also indicates whether Holder has accepted the grant of RSUs. The Summary is deemed part of this Agreement.

ARTICLE 1.
GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Summary.

As used herein, the term "***Disability***" shall mean a "disability" as defined in Treasury Regulation Section 1.409A-3(i)(4).

As used herein, the term "***Restricted Stock Unit***" and "***RSU***" shall mean a non-voting unit of measurement which represents the right to receive one share of Common Stock for each unit that vests (subject to adjustment as provided in Section 11.3 of the Plan) solely for purposes of the Plan and this Agreement. The RSUs shall be used solely as a device for the determination of the issuance of shares of Common Stock to eventually be made to Holder if and to the extent such RSUs vest pursuant to Section 2.2 hereof. The RSUs shall not be treated as property or as a trust fund of any kind.

1.2 Incorporation of Terms of Plan and Appendices I and II . The RSUs are subject to the terms and conditions of the Plan, and, to the extent applicable, Appendix I hereto (which sets forth additional terms and conditions that govern the Award if Holder is outside the United States of America) and Appendix II hereto (which sets forth special and/or additional legal requirements, terms and conditions as may be required by Holder's country), each of which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent applicable, in the event of any inconsistency between this Director Restricted Stock Unit Award Agreement and Appendices I and II, the terms of Appendices I and II shall control.

ARTICLE 2.
GRANT OF RESTRICTED STOCK UNITS

2.1 Grant of RSUs. Effective as of the Grant Date, the Company grants to Holder an award of RSUs as set forth in the Summary and this Agreement, upon the terms and conditions set forth in the Summary, the Plan and this Agreement.

2.2 Vesting Schedule.

(a) Subject to Sections 2.2(b), 2.2(c) and 2.3 hereof, the RSUs awarded pursuant to this Agreement will vest and become nonforfeitable with respect to all of the RSUs on the earlier of: (i) the first November 11 following the Grant Date, or (ii) the date of the first (1st) annual meeting of the stockholders of the Company following the Grant Date, subject to Holder's continued service through the applicable vesting date, as a condition to the vesting of the RSUs and the rights and benefits under this Agreement.

(b) Notwithstanding Section 2.2(a) hereof, and subject to Section 2.3 hereof, in the event of a Change in Control and Holder does not continue as a director of the successor entity to such Change in Control, the RSUs shall become fully vested and nonforfeitable as of the effective date of such

Change in Control. Notwithstanding Section 2.2(a) hereof, if the Holder dies or has a Termination of Service due to Disability, the unvested RSUs shall become fully vested and nonforfeitable as of the date of such Holder's death or Termination of Service due to Disability, as applicable.

2.3 Forfeiture, Termination and Cancellation upon Termination of Service . Except as otherwise provided by the Administrator, upon Holder's Termination of Service for any reason or no reason (other than Holder's death or Disability), all then unvested RSUs subject to this Agreement will thereupon be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights hereunder.

2.4 Issuance of Shares upon Vesting . As soon as administratively practicable following the vesting of any RSUs pursuant to Section 2.2 hereof, but in no event later than sixty (60) days after such vesting date (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A of the Code), the Company shall deliver to Holder (or any transferee permitted under Section 3.2 hereof) a number of shares of Common Stock equal to the number of such RSUs that vested on the applicable vesting date, less to the extent applicable, the number of shares of Common Stock withheld in accordance with Section 2.5(b). The shares of Common Stock delivered hereby shall be represented either by one or more stock certificates or by book entry, as determined by the Company in its sole discretion. Notwithstanding the foregoing, in the event shares of Common Stock cannot be issued in the time frame specified above due to the effects of Section 2.6(a), (b) or (c) hereof, then the shares of Common Stock shall be issued as soon as administratively practicable after the Administrator determines that shares of Common Stock can again be issued in accordance with Sections 2.6(a), (b) and (c) hereof (but in no event later than the deadline required to comply with the "short-term deferral" exemption under Section 409A of the Code).

2.5 Responsibility for Taxes.

(a) Holder agrees and acknowledges that Holder will consult with his or her personal tax advisor regarding any income tax, social insurance contributions or other tax-related items legally applicable or deemed legally applicable to Holder ("***Tax-Related Items***") that may arise in connection with the RSUs and Holder's participation in the Plan. Holder is relying solely on such advisor and is not relying in any part on any statement or representation of the Company or any of its agents in relation to the RSUs and this Agreement. The Company shall not be responsible for payment of any Tax-Related Items, unless it is required to withhold Tax-Related Items under applicable law. Holder further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to the grant of the RSUs, the vesting or settlement of the RSUs, the issuance of shares of Common Stock in settlement of the RSUs, the subsequent sale of the shares of Common Stock acquired at vesting and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate the Holder's liability for Tax-Related Items or achieve any particular tax result.

(b) The Company may take such action as it deems appropriate to ensure that all Tax-Related Items, which are Holder's sole and absolute responsibility, are withheld or collected from Holder, if and to the extent required by applicable law. If withholding of Tax-Related Items is required by applicable law, the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of the following methods: (i) withholding from Holder's cash fees or other compensation paid to Holder by the Company; (ii) causing Holder to tender a cash payment (*i.e.*, check or bank wire); (iii) withholding from the proceeds of the sale of shares of Common Stock issued upon vesting, either through a voluntary sale or through a mandatory sale arranged by the Company (on Holder's behalf pursuant to this authorization); or (iv) any other method determined by the Company, to the extent permitted under the Plan and applicable laws. Further, the Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in the country in which tax is due (to the extent permitted by the Plan). In the event of over-withholding, Holder may receive a refund of any over-withheld amount in cash (with no entitlement to the Common Stock

equivalent) or, if not refunded, Holder may be able to seek a refund from the applicable tax authorities In the event of under-withholding, Holder may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, Holder will be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(c) The Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Holder or Holder's legal representative or enter such shares of Common Stock in book entry form unless and until Holder or Holder's legal representative shall have paid or otherwise satisfied Holder's obligations in connection with the Tax-Related Items resulting from the RSUs or the shares of Common Stock subject to the RSUs.

2.6 Conditions to Delivery of Common Stock; Legal Requirements. The shares of Common Stock deliverable hereunder, or any portion thereof, may be either previously authorized but unissued shares of Common Stock or issued shares of Common Stock which have then been reacquired by the Company. Such shares of Common Stock shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any shares of Common Stock deliverable hereunder or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares of Common Stock to listing on all stock exchanges on which such Common Stock is then listed;

(b) The completion and maintenance of any registration or other qualification of such shares of Common Stock under any U.S. and non-U.S. state or federal law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any U.S. or non-U.S. state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the vesting of any RSUs as the Administrator may from time to time establish for reasons of administrative convenience.

2.7 Rights as Stockholder. Holder shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the RSUs and any shares of Common Stock underlying the RSUs and deliverable hereunder unless and until such shares of Common Stock shall have been issued by the Company and held of record by such Holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the shares of Common Stock are issued, except as provided in Section 11.3 of the Plan. No Dividend Equivalent awards shall be awarded in respect of any unvested RSUs.

ARTICLE 3.
OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Holder, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the RSUs.

3.2 Grant is Not Transferable.

(a) Except as set forth in Section 3.2(b), during the lifetime of Holder, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and

distribution, unless and until the shares of Common Stock underlying the vested RSUs have been issued. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of Holder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) Notwithstanding the foregoing provisions of Section 3.2(a), for Holders who are exclusively subject to the laws of the United States, the Administrator, in its sole discretion, may permit the transfer of RSUs held by Holder (i) pursuant to a DRO, or (ii) by gift or contribution to a Permitted Transferee. Any RSU that has been so transferred shall continue to be subject to all of the terms and conditions as applicable to the original Holder, and the transferee shall execute any and all such documents requested by the Administrator in connection with the transfer, including, without limitation, to evidence the transfer and to satisfy any requirements for an exemption for the transfer under applicable federal and state securities laws.

3.3 Binding Agreement. Subject to the limitation on the transferability of the RSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.4 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the RSUs and the issuance of shares of Common Stock with respect to vested RSUs in such circumstances as it, in its sole discretion, may determine; provided, however, that if the RSUs were deemed to constitute "nonqualified deferred compensation" subject to Section 409A and Holder is subject to U.S. federal taxation, no acceleration of the issuance of the shares of Common Stock may occur other than as expressly permitted under Section 409A. In addition, upon the occurrence of certain events relating to the Common Stock contemplated by Section 11.3 of the Plan, the Administrator shall make any appropriate adjustments in the number of RSUs then outstanding and the number and kind of securities that may be issued in respect of the RSUs. Holder acknowledges that the RSUs are subject to amendment, modification and termination in certain events as provided in this Agreement and Section 11.3 of the Plan.

3.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice (which may include electronic delivery by email) or when sent by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below:

If to Company: ResMed Inc.
9001 Spectrum Center Blvd.
San Diego, CA 92123
USA
Attn: David Pendarvis, Corporate Secretary

If to Holder: Address of the Holder on file with ResMed Inc.

3.6 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.7 Governing Law / Venue . The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award of RSUs or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California and no other courts, where this grant is made and/or to be performed.

3.8 Conformity to Securities Laws. Holder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the U.S. Securities and Exchange Commission thereunder, and other U.S. or non-U.S. state and federal securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.9 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board; *provided* that, except as may otherwise be provided by the Plan and subject to Section 3.8, Section 3.11, Section 3.14 and Section 3.17 hereof, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Holder.

3.10 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon Holder and his or her heirs, executors, administrators, successors and assigns.

3.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, the Plan, the RSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.12 No Right to Continued Service. Nothing in this Agreement or the Plan confers upon Holder any right to continue in service for any period of specific duration.

3.13 Entire Agreement. The Plan, the Summary and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof.

3.14 Section 409A. The parties intend that this Agreement and the benefits provided hereunder be exempt from the requirements of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "***Section 409A***") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise. However, to the extent that the RSUs (or any portion thereof) may be subject to Section 409A, the parties intend that this Agreement and such benefits comply with the deferral, payout, and other limitations and restrictions imposed under Section 409A and this Agreement shall be interpreted, operated and administered in a manner consistent with such intent. Notwithstanding any other provision of the Plan, the Summary or this Agreement, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Holder or any other person for failure to do so) to adopt such amendments to the Plan, the Summary or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the RSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in this Agreement, the Plan or the Summary shall provide a basis for any person to take action against the Company or any Subsidiary based on matters covered by Section 409A of the Code, including the tax treatment of any amount paid or RSUs granted under this Agreement, and neither the Company nor any of its Subsidiaries shall under any circumstances have any liability to Holder or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

3.15 Limitation on Holder's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the

Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Unless and until the RSUs will have vested in the manner set forth in Article 2 hereof, Holder will have no right to the issuance of shares of Common Stock with respect to the RSUs. Holder shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

3.16 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide (a) to deliver by electronic means any documents related to the RSUs granted under the Plan, Holder's participation in the Plan, or future awards that may be granted under the Plan or (b) to request by electronic means Holder's consent to participate in the Plan. Holder hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

3.17 Imposition of Other Requirements. The Company reserves the right to impose other requirements on Holder's participation in the Plan, on the RSUs or any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable or legal or administrative reasons, and to require Holder to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

3.18 Participants Outside of the United States. If Holder is a resident of a jurisdiction outside of the United States and subject to the laws of such jurisdiction, then Holder hereby agrees to be subject to the additional requirements and disclosures set forth in Appendices I and II hereto, both the general terms and any specific terms for Holder's country, which are hereby incorporated into this Agreement, regardless of the law that might be applied under principles of conflicts of laws.

3.19 Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

3.20 Waiver. Holder acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Holder or any other Holder.

3.21 No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice with respect to the RSUs, nor is the Company making any recommendations regarding Holder's participation in the Plan, or Holder's acquisition or sale of the underlying shares of Common Stock. Holder should consult with his or her own personal tax, legal and financial advisors regarding Holder's participation in the Plan before taking any action related to the Plan and the RSUs.

IN WITNESS WHEREOF, the parties hereunto agree to the terms and conditions set forth in this Agreement.

RESMED INC.	HOLDER
Signed Electronically	Signed Electronically
/s/ Michael J. Farrell	
Michael J. Farrell	
Chief Executive Officer	

APPENDIX I

Additional Terms and Conditions For Directors Outside the United States

This Appendix I includes additional terms and conditions that govern the Award granted to Holder under the Plan if Holder resides and/or works in a country outside the United States of America (or if Holder later relocates to such a country). Certain capitalized terms used but not defined in this Appendix I have the meanings set forth in the Plan, the Agreement and/or the Summary.

1. Data Privacy Consent.

a) ***Declaration of Consent****. Holder is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned below, including recipients located in countries which may not have a similar level of protection from the perspective of the data protection laws in Holder's country.*

b) ***Data Collection and Usage****. The Company collects, processes and uses certain personal information about Holder, including, but not limited to, Holder's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, compensation, nationality, job title, any shares or directorships held in the Company, details of all RSUs under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in Holder's favor ("Data"), for the purposes of managing Holder's participation in the Plan. The legal basis, where required, for the processing of Data is Holder's consent.*

c) ***Stock Plan Administration Service Providers****. The Company transfers Data, or parts thereof, to Fidelity Stock Plan Services, LLC and certain of its affiliated companies ("Fidelity"), which assists the Company with the implementation, administration and management of the Plan. Holder acknowledges and understands that Fidelity will open an account for Holder to receive and trade shares of Common Stock acquired under the Plan and that Holder will be asked to agree on separate terms and data processing practices with Fidelity, which is a condition of Holder's ability to participate in the Plan. In the future, the Company may select a different service provider and may share Data with such different service provider that serves in a similar manner.*

d) ***International Data Transfers****. The Company and Fidelity are based in the United States. Holder understands that his or her country may have enacted data privacy laws that are different from the laws of the United States. As a result, in the absence of appropriate safeguards such as standard data protection clauses, the processing of Holder's Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Holder might not have enforceable rights regarding the processing of his or her Data in such countries.*

To the extent applicable to Holder, the Company provides appropriate safeguards for protecting Data that it receives in the United States through its adherence to data transfer agreements entered into between the Company and Subsidiaries within the European Union. Otherwise, where required, the Company's legal basis for the transfer of Data is Holder's consent.

e) ***Data Retention****. The Company will hold and use the Data only as long as is necessary to implement, administer and manage Holder's participation in the Plan, or as required to comply with applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes.*

f) ***Voluntariness and Consequences of Consent Denial or Withdrawal*** *. Participation in the Plan is voluntary and Holder is providing the consents herein on a purely voluntary basis. Holder understands that he or she may withdraw consent at any time with future effect for any or no reason. If Holder does not consent, or if Holder later seeks to revoke his or her consent, Holder's service as a Director will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to offer RSUs or other awards to Holder or administer or maintain Holder's participation in the Plan.*

g) ***Data Subject Rights. Holder understands that data subject rights vary depending on applicable law and that, depending on where Holder is based and subject to the conditions under applicable law, Holder may have, without limitation, the rights to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Holder's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Holder understands that he or she can contact the Company.***

2. Insider Trading / Market Abuse Laws. Holder acknowledges that, depending on Holder's country, the broker's country, or the country in which shares of Common Stock are listed, Holder may be subject to insider trading restrictions and/or market abuse laws, which may affect Holder's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (*e.g.*, RSUs) or rights linked to the value of shares of Common Stock during such times as Holder is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the relevant jurisdiction). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Holder is responsible to comply with any applicable restrictions, and Holder should speak to his or her personal advisor regarding this matter.

3. Foreign Assets/Account and Tax Reporting, Exchange Controls .

h) Holder's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Holder's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Holder's country. Holder understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in Holder's country. Holder also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, Holder may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of shares of Common Stock. Holder acknowledges that he or she is responsible for complying with all such requirements, and that Holder should consult personal legal and tax advisors, as applicable, to ensure compliance.

i) The Company shall not be liable for any foreign exchange rate fluctuation between Holder's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Holder pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

4. Language. In the event Holder has received this Agreement, including Appendices I and II, or any other document related to the Plan translated into a language other than English, the English version will control to the extent the meaning of the translated version differs from the English version.

APPENDIX II

Certain capitalized terms used but not defined in this Appendix II have the meanings set forth in the Plan, the Director Restricted Stock Unit Award Agreement, Appendix I and/or the Summary.

This Appendix II includes special and/or additional terms and conditions that govern the RSUs granted to Holder under the Plan if Holder is a resident of a jurisdiction outside of the United States and subject to the laws of such jurisdiction. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If Holder is a citizen or resident of a country other than the one in which he or she is currently residing and/or transfers residency to another country after the grant of the RSUs, or is considered resident of another country for local law purposes, the Administrator shall, in its discretion, determine to what extent any country-specific terms and conditions contained herein shall be applicable to Holder.

Belgium

There are no country-specific provisions.

Singapore

Sale of Shares. For any shares of Common Stock that are issued within six months of the Grant Date, Holder agrees that he or she will not dispose of the shares of Common Stock acquired prior to the six-month anniversary of the Grant Date, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), or any other applicable provisions of the SFA.

Securities Law Information. The offer of the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of SFA and not with a view to the RSUs or shares of Common Stock being subsequently offered for sale to another party. The Plan has not been lodged or registered as a prospectus with a Monetary Authority of Singapore.

Exhibit 10.7

ResMed Inc.

Summary for Executive Stock Option Award Agreement

1. Grantee [PARTICIPANT NAME]

2. Grant Date [GRANT DATE]

3. Number of Options: [OPTIONS GRANTED]

4. Vesting Schedule. Subject to the terms of the Agreement, one-third of the options granted shall vest and become nonforfeitable on each of the first three anniversaries of the Grant Date.

RESMED INC.

EXECUTIVE STOCK OPTION AGREEMENT

Participant Name: [Participant Name]
Grant Date: [Grant Date]
Grant Price: [Grant Price]
Number of Shares Granted: [Shares Granted]
Acceptance Date: [Acceptance Date]
Expiration Date: [Expiration Date]

This Executive Stock Option Agreement, including any country-specific terms and conditions set forth in the Appendix hereto (collectively, the "Agreement"), sets forth the terms of a stock option (the "Option") granted by ResMed Inc., a Delaware corporation (the "Company"), pursuant to the ResMed Inc. 2009 Incentive Award Plan, as amended and restated (the "Plan") and the Summary of Stock Option Grant (the "Summary") displayed at the Web site of the Company's plan administrator. The Plan and the Summary, which specifies the person to whom the Option is granted (the "Grantee"), electronic acceptance procedures and other specific details of the grant, are incorporated herein by reference. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Summary.

1 . Grant of Option. The Company hereby grants to Grantee an Option to purchase all or any part of the aggregate number of shares of the Common Stock specified in the Summary (the "Option Shares") at the price specified in the Summary (the "Option Price"), during the period and subject to the conditions set forth in this Agreement and in the Summary.

2 . Option Period. The Option Period begins on the Grant Date specified in the Summary and ends on the Expiration Date specified in the Summary, subject to earlier termination of the Option Period in accordance with Section 7 hereof. Any vested portion of the Option shall be exercised in accordance with the provisions of Sections 3, 4, 5, 6 and 7 hereof during the Option Period. All rights to exercise the Option, and the Option Period, shall terminate on the Expiration Date or such earlier date specified in Section 7 hereof.

3. Option Vesting and Acceleration .

a) Subject to Sections 3(b), 3(c), 3(d) and 3(e) hereof, the Option shall vest and become exercisable in accordance with the Vesting Schedule specified in the Summary, subject to Grantee's continued employment or service through applicable vesting dates.

b) Except as otherwise set forth in Sections 3(c), 3(d) and 3(e), vesting of the Option shall terminate upon Grantee's Termination of Service. For purposes of this Agreement, Grantee's Termination of Service is deemed to occur as of the date Grantee is no longer actively providing services to the Company or a Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of applicable laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any) and, unless otherwise provided in Sections 3(c), (d) and (e) hereof, Grantee's right to vest in the Options, if any, will terminate as of such date and the period during which Grantee may exercise vested Options after Termination of Service, if any, will begin on such date. In both cases, the date of Termination of Service will not be extended by any notice period (*e.g.*, Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under applicable laws in the jurisdiction where Grantee is employed or providing services or the terms of Grantee's employment or service contract, if any). The Administrator shall have the exclusive discretion to determine when Grantee's Termination of Service for purposes of the Options has occurred (including whether Grantee may still be considered to be providing services while on a leave of absence).

c) In the event of a Change in Control (as defined in the Plan), the Option shall become fully vested and exercisable as of the date of such Change in Control, or if later, as of the date of Grantee's Separation from Service (as defined in the Executive Agreement), if either of the following occurs:

(i) Grantee provides Notice of Good Reason (as defined in the then-current "Executive Agreement" between the Company and Grantee ("the Executive Agreement")) at any time during the six-month period prior to the date of a Change in Control, or during the twelve (12) month period commencing on the date of a Change in Control, and Grantee has a Separation from Service by reason of Grantee's voluntary termination of employment for Good Reason (as defined in the Executive Agreement), or

(ii) Grantee has a Separation from Service reason by reason of the Company's termination of Grantee's employment other than for Cause (as defined in the Executive Agreement) during the six-month period prior to the date of the Change in Control (and such termination is at the request of the successor entity of such Change in Control, or is otherwise made in anticipation of the Change in Control), or during the twelve (12) month period commencing on the date of the Change in Control.

d) If Grantee dies while employed by the Company or a Subsidiary or has a Termination of Service due to Disability, the unvested portion of the Option shall become fully vested and non-forfeitable as of the date of Grantee's death or Termination of Service due to Disability, as applicable. "Disability" shall mean a "disability" as defined in Treasury Regulation Section 1.409A-3(i)(4).

e) If Grantee has a Termination of Service due to Retirement, a pro-rata portion of the unvested Options shall become vested and nonforfeitable as of the date of Grantee's Termination of Service due to Retirement. The number of the Options that will vest on the date of Grantee's Termination of Service due to Retirement will be determined by (i) dividing the number of days Grantee was continuously employed or rendering services during the vesting period prior to the termination date by the total number of days of the vesting period (as measured from the Grant Date to the final vesting date of the Options), and multiplying the result of such division by the aggregate number of Option Shares granted to Grantee and (ii) subtracting from the result in 3(e)(i) any Options that previously vested pursuant to the Vesting Schedule. Such pro-rata portion of the Options will be rounded down to the nearest whole share, except as otherwise set forth in Section 13 hereof. Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in Grantee's jurisdiction that likely would result in the favorable Retirement treatment that otherwise would apply to the Options pursuant to this Section 3(e) being deemed unlawful and/or discriminatory, then the Company will not apply this favorable Retirement treatment at the time of Grantee's Termination of Service and the Options will be treated as they would under the rules that otherwise would have applied if Grantee's Termination of Service did not qualify as a Retirement.

f) For purposes of Section 3(e) hereof, "Retirement" shall mean a Termination of Service after (i) sixty (60) years of age and (ii) completion of five (5) years of continuous service with the Company or any Subsidiary.

g) For purposes of this Section 3, the employment relationship of an Employee of the Company or a Subsidiary will be treated as continuing intact while he is on military or sick leave or other bona fide leave of absence if such leave does not exceed ninety days, provided, however, that the period of the leave may exceed ninety days so long as Grantee's right to re-employment is guaranteed either by statute or by contract, or in any other circumstance as may be required by law.

4 . Exercise of Option. Except as provided in Section 10, this Option shall be exercisable during the Option Period in accordance with the Vesting Schedule (as the same may be

modified by Section 3 hereof) and at the Option Price per share specified on the Summary. The installments provided for in the Summary are cumulative, such that each installment that vests but is not exercised, may be carried forward and exercised in the future, except that the Option may not be exercised after the Expiration Date or earlier Option termination date pursuant to Section 7 below.

5. Automatic Exercise of Option. Notwithstanding anything in this Agreement to the contrary, in the event the Option has not been exercised on or before the Expiration Date of the Option, and the Fair Market Value of the Common Stock on the Expiration Date of the Option exceeds its Option Price per share by 1% or more, as determined by the Company (or its agent), the vested portion of the Option shall be exercised automatically on the Expiration Date. The Option Price and any withholding obligations for Tax-Related Items (as defined in Section 12 herein) shall be satisfied by withholding shares of Common Stock otherwise issuable upon exercise of the Option having a Fair Market Value on the date of exercise that is sufficient to cover the aggregate Option Price and any Tax-Related Items. The Company will thus issue Grantee shares of Common Stock upon such automatic exercise in an amount equal to the number of Option Shares subject to the Option, less the number of shares used to pay the aggregate Option Price and Tax-Related Items (based on the Fair Market Value of the Common Stock at the close of the market on the date of exercise). Grantee shall pay the remaining portion, if any, of the Tax-Related Items to the Company in cash or by check (or, to the extent permitted by applicable law, by the Company or the Employer (as defined in Section 12 herein) withholding such amounts from Grantee's wages through payroll deduction). This Section 5 shall apply regardless of whether the Option is a Non-Qualified Stock Option or Incentive Stock Option.

6 . Manner of Exercise. Exercise of the Option shall be by written notice as directed by the Company, details of which will be provided to Grantee. The notice shall be accompanied by payment in full in cash, check, or a combination thereof, in the aggregate amount of the Option Price specified in the Summary multiplied by the number of Option Shares to be purchased by Grantee through such exercise, plus payment of all withholding obligations for Tax-Related Items. In addition, the Option Price and associated Tax-Related Items may be paid through the delivery of a notice that Grantee has placed a market sell order with a broker with respect to the shares of Common Stock then issuable upon exercise of the Option, whereby the broker timely pays a sufficient portion of the net proceeds from the sale of shares of Common Stock to the Company in satisfaction of the Option Price and withholding obligations for Tax-Related Items.

7. Exercise Rights in Event of Death or Termination of Service .

a) If Grantee dies while employed by the Company or a Subsidiary, or within the first year after Termination of Service, without having fully exercised the Option, after giving effect to Section 3(d) regarding Option acceleration, if applicable, the executors, administrators, legatees or distributees of Grantee's estate shall have the right, for a period of one year after the date of Grantee's death, to exercise the vested, unexercised and unexpired portion, if any, of the Option as of the date of Grantee's death, in whole or in part, except that the Option may not be exercised under this subsection 7(a) after the Expiration Date.

b) In the event of Grantee's Termination of Service for any reason, and after giving effect to Section 3 regarding Option acceleration, if applicable, the then vested, unexercised and unexpired portion, if any, of Grantee's Option as of the date of Termination of Service may be exercised until the earlier of (i) the first anniversary of such Termination of Service, or (ii) the Expiration Date specified in the Summary. After this date, the Option shall be automatically cancelled and the Option Period shall terminate.

c) In the event of Grantee's Termination of Service due to Retirement, and after giving effect to Section 3(e) regarding Option acceleration, if applicable, the then vested, unexercised and unexpired portion, if any, of Grantee's Option as of the date of Termination of Service due to Retirement may be exercised until the earlier of (i) the third anniversary of such Termination of Service due to Retirement, or (ii) the Expiration Date specified in the Summary. After this date, the Option shall be automatically cancelled and the Option Period shall terminate.

8. Transferability of Option.

a) Subject to subsection 8(b), the Option is not transferable by Grantee other than by will or by the laws of descent and distribution in the event of Grantee's death, in which event the Option may be exercised by the heirs or legal representatives of Grantee as provided in Section 7 hereof. The Option may be exercised during the lifetime of Grantee only by Grantee. Any attempt at assignment, transfer, pledge or disposition of the Option contrary to the provisions hereof or the levy of any execution, attachment or similar process upon the Option shall be null and void and without effect. Any exercise of the Option by a person other than Grantee shall be accompanied by appropriate proofs of the right of such person to exercise the Option.

b) Notwithstanding the foregoing provisions of subsection 8(a), for Grantees who are exclusively subject to the laws of the United States, the Administrator, in its sole discretion, may permit the transfer of a Non-Qualified Stock Option held by Grantee (i) pursuant to a DRO, or (ii) by gift or contribution to a permitted transferee. Any Option that has been so transferred shall continue to be subject to all of the terms and conditions as applicable to the original Grantee, and the transferee shall execute any and all such documents requested by the Administrator in connection with the transfer, including without limitation to evidence the transfer and to satisfy any requirements for an exemption for the transfer under applicable federal and state securities laws.

9. Changes in Capital Structure. The number of Option Shares covered by this Option and the Option Price shall be equitably adjusted in the event of (i) the payment of any dividend or the making of any distribution of Common Stock to holders of record of Common Stock, (ii) any stock split, combination of shares, recapitalization or other similar change; (iii) the merger or consolidation of the Company into or with any other corporation; or (iv) the reorganization, dissolution, liquidation or winding up of the Company (collectively, the "Event"), and Grantee shall be entitled to receive such new, additional or other shares of stock of any class, or other property (including cash), as Grantee would have been entitled to receive as a matter of law in connection with such Event had Grantee held the Option Shares on the record date set for such Event. In addition, upon such change, the Option Price of the Option Shares or other securities subject to any unexercised portions of this Option shall be adjusted proportionately so that Grantee shall have the right to purchase the number of Option Shares (as adjusted) under this Option at an Option Price (as adjusted) which Grantee could purchase for the total purchase price applicable to the unexercised portion of this Option immediately prior to such Event had Grantee held the Option Shares on the record date set for such Event. Any fractional shares resulting from such calculation shall be eliminated. The Administrator shall have the authority to determine the adjustments to be made under this Section 9 and any such determination shall be final, binding and conclusive.

10. Legal Requirements.

a) If the listing, registration or qualification of the Option Shares upon any securities exchange or under any U.S. or non-U.S. federal, state or local law, or the consent or approval of any governmental regulatory body is necessary or advisable as a condition of or in connection with the purchase of the Option Shares, the Company shall not be obligated to issue or deliver the certificates representing the Option Shares as to which the Option has been exercised unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained and is in effect. This Option does not hereby impose on the Company a duty to so list, register, qualify, maintain or effect or obtain consent or approval.

b) The Option Shares deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or issued shares, which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable.

c) Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any Option Shares purchasable upon the exercise of any part of the Option unless and until such shares of Common Stock shall have been issued by the Company to Grantee, as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company, or by the issuance of a stock certificate in Grantee’s name.

11. No Obligation to Exercise Option. Grantee shall be under no obligation to exercise the Option.

12. Responsibility for Taxes

a) Regardless of any action the Company or, if different, the Subsidiary employing Grantee or for which Grantee otherwise provides services (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to Grantee's participation in the Plan and legally applicable or deemed legally applicable to Grantee ("Tax-Related Items"), Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including, but not limited to the grant, vesting or exercise of the Options, the issuance of Option Shares upon exercise of the Option; the subsequent sale of the shares of Common Stock acquired at exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Option to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if Grantee is subject to tax in more than one jurisdiction, Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

b) In connection with any relevant taxable or tax withholding event, as applicable, Grantee must pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Grantee authorizes the Company and/or the Employer, or their respective agents, in their sole discretion and without any notice to or additional authorization by Grantee, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Grantee's compensation or other wages payable to Grantee by the Company, the Employer and/or any other Subsidiary;

(ii) causing Grantee to tender a cash payment (*i.e*., check or bank wire);

(iii) withholding from the proceeds of the sale of shares of Common Stock issued upon exercise, either through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization);

(iv) withholding shares of Common Stock otherwise to be issued upon exercise; provided, however that if Grantee is a Section 16 officer of the Company under the Exchange Act, then any withholding in shares of Common Stock will be approved by the Administrator; or

(v) any other method determined by the Company, to the extent permitted under the Plan and applicable laws.

c) The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in Grantee's jurisdiction(s) (to the extent permitted by the Plan), in which case Grantee may receive a refund of any over-withheld amount in cash (with no entitlement to the Common Stock equivalent) or, if not refunded, Grantee may be able to seek a refund from the applicable tax authorities. In the event of under-withholding, Grantee may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, Grantee will be deemed to have been issued the full number of shares of Common Stock subject to the exercised Options, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

d) Grantee agrees to pay to the Company and/or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Grantee's participation in the Plan that cannot be satisfied by the means previously described.

e) The Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Grantee or Grantee's legal representative or enter such shares of Common Stock in book entry form unless and until Grantee or Grantee's legal representative shall have paid or otherwise satisfied Grantee's obligations in connection with the Tax-Related Items resulting from the Options or the shares of Common Stock subject to the Options.

13. Fractional Option Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the exercise of this Option, but the Company, in its discretion, shall issue one additional share of its Common Stock in lieu of each fraction of a share otherwise called for upon any exercise of this Option.

14. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice (which may include electronic delivery by email) or when sent by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below:

If to Company:	ResMed Inc. 9001 Spectrum Center Blvd. San Diego, CA 92123 USA Attn: David Pendarvis, Corporate Secretary
If to Holder:	Address of the Holder on file with ResMed Inc. or its Subsidiary

15. Administration. This Option has been granted pursuant to the Plan adopted by the Board and approved by the stockholders of the Company, and is subject to the terms and provisions thereof. By acceptance hereof Grantee acknowledges receipt of a copy of the Plan. All questions of interpretation and application of the Plan and this Option shall be determined by the Company, and such determination shall be final, binding and conclusive.

16. No Rights to Employment or Future Awards. The grant of this Option does not entitle Grantee to any other benefit or to future awards or rights under the Plan. The grant does not form an employment contract or relationship with the Company or any other Subsidiary or affiliate. The Option does not create a right to further employment nor interfere with the Company and the Employer's right to terminate the employment relationship at any time for any reason whatsoever, with or without cause, which rights to terminate are hereby expressly reserved (except to the extent that right is otherwise limited by law).

17. Nature of Grant. By accepting the Options, Grantee acknowledges, understands and agrees that:

a) all decisions with respect to future awards of Options or other grants, if any, will be at the sole discretion of the Company;

b) Grantee is voluntarily participating in the Plan;

c) the Options and the shares of Common Stock subject to the Options, and the income from and value of same, are not intended to replace any pension rights or compensation;

d) the Options and the shares of Common Stock subject to the Options, and the income from and value of same, are not part of normal or expected compensation or salary for any

purpose, including (without limitation) calculating any severance, resignation, redundancy or end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments;

e) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

f) if the underlying shares of Common Stock do not increase in value, the Option will have no value;

g) if Grantee exercises the Option and obtains shares of Common Stock, the value of those shares of Common Stock acquired upon exercise may increase or decrease in value, even below the Option Price;

h) no claim or entitlement to compensation or damages shall arise from termination of the Options resulting from a Termination of Service (for any reason whatsoever, whether or not later to be found invalid or in breach of applicable laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any);

i) unless otherwise agreed with the Company, the Options and the shares of Common Stock subject to the Options, and the income from and value of same, are not granted as consideration for, or in connection with, the service Grantee may provide as a director of a Subsidiary;

j) the Company is not providing any tax, legal or financial advice with respect to the Options, nor is the Company making any recommendations regarding Grantee's participation in the Plan, or Grantee's acquisition or sale of the underlying shares of Common Stock;

k) Grantee should consult with his or her own personal tax, legal and financial advisors regarding Grantee's participation in the Plan before taking any action related to the Plan and the Options; and

l) the following provisions apply only if Grantee is providing services outside the United States:

(i) the Options and the shares of Common Stock subject to the Options, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose; and

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between Grantee's local currency and the United States Dollar that may affect the value of the Options or of any amounts due to Grantee pursuant to the exercise of the Options or the subsequent sale of any shares of Common Stock acquired upon exercise.

18. ***Data Privacy Consent***

(a) Declaration of Consent. Grantee is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data (as defined below) by the Company and the transfer of Data to the recipients mentioned below, including recipients located in countries which may not have a similar level of protection from the perspective of the data protection laws in Grantee's country.

(b) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any

shares or directorships held in the Company, details of all Options under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("Data"), for the purposes of managing Grantee's participation in the Plan. The legal basis, where required, for the processing of Data is Grantee's consent.

(c) Stock Plan Administration Service Providers. The Company transfers Data, or parts thereof, to Fidelity Stock Plan Services, LLC and certain of its affiliated companies ("Fidelity"), which assists the Company with the implementation, administration and management of the Plan. Grantee acknowledges and understands that Fidelity will open an account for Grantee to receive and trade shares of Common Stock acquired under the Plan and that Grantee will be asked to agree on separate terms and data processing practices with Fidelity, which is a condition of Grantee's ability to participate in the Plan. In the future, the Company may select a different service provider and may share Data with such different service provider that serves in a similar manner.

(d) International Data Transfers. The Company and Fidelity are based in the United States. Grantee understands that his or her country may have enacted data privacy laws that are different from the laws of the United States. As a result, in the absence of appropriate safeguards such as standard data protection clauses, the processing of Grantee's Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Grantee might not have enforceable rights regarding the processing of his or her Data in such countries.

The Company provides appropriate safeguards for protecting Data that it receives in the United States through its adherence to data transfer agreements entered into between the Company and Subsidiaries within the European Union. Otherwise, where required, the Company's legal basis for the transfer of Data is Grantee's consent.

(e) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage Grantee's participation in the Plan, or as required to comply with applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. This means Data may be retained even after Grantee's Termination of Service.

(f) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and Grantee is providing the consents herein on a purely voluntary basis. Grantee understands that he or she may withdraw consent at any time with future effect for any or no reason. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, Grantee's employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to offer Options or other awards to Grantee or administer or maintain Grantee's participation in the Plan.

(g) Data Subject Rights. Grantee understands that data subject rights vary depending on applicable law and that, depending on where Grantee is based and subject to the conditions under applicable law, Grantee may have, without limitation, the rights to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Grantee's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Grantee understands that he or she can contact Grantee's local human resources representative.

19. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

20. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware without regard to conflicts of laws or principles. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award of Options or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California and no other courts, where this grant is made and/or to be performed.

21. Counterparts and Additional Terms. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Agreement may be provided in electronic format in accordance with the Company's programs and policies permitting electronic delivery of signatures. The Option shall be subject to such additional terms and rights of Grantee regarding the Option as set forth in any executive agreement, severance agreement or change in control agreement between Grantee and the Company.

22. Amendment. This Agreement may not be amended in a material adverse way to Grantee except by an instrument in writing signed by Grantee and the Company.

23. Notification of Disposition. If this Option is designated as an Incentive Stock Option, Grantee shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired under this Agreement if such disposition or transfer is made (a) within two years from the Grant Date or (b) within one year after the transfer of such shares to Grantee. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Grantee in such disposition or other transfer.

24. Conformity to Laws. Grantee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the U.S. Securities and Exchange Commission thereunder, and other U.S. or non-U.S. state and federal securities laws and regulations, as well as any other applicable U.S. or non-U.S. state and federal laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

25. Participants Outside of the United States. Notwithstanding any provisions in this Agreement, the Options shall be subject to any additional terms and conditions set forth in the Appendix attached hereto for Grantee's country. Moreover, if Grantee relocates to one of the countries included in the Appendix, the terms and conditions for such country will apply to Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The terms included in the Appendix constitute part of this Agreement.

26. Language. Grantee acknowledges that he or she is proficient in the English language and understands the provisions in this Agreement and the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. Further, in the event Grantee has received this Agreement, including the Appendix attached hereto, or any other document related to the Plan translated into a language other than English, the English version will control to the extent the meaning of the translated version differs from the English version.

27. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide (a) to deliver by electronic means any documents related to the Options granted under the Plan, Grantee's participation in the Plan, or future awards that may be granted under the Plan or (b) to request by electronic means Grantee's consent to participate in the Plan. Grantee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan

through an online or electronic system established and maintained by the Company or any third party designated by the Company.

28. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

29. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the Options or any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

30. Waiver. Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Grantee or any other permitted transferee.

31. Insider Trading/Market Abuse Laws. Grantee acknowledges that, depending on Grantee's country, the broker's country, or the country in which shares of Common Stock are listed, Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (*e.g.*, Options) or rights linked to the value of shares of Common Stock during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the relevant jurisdiction). Further, Grantee understands that local insider trading laws and regulations prohibit the cancellation or amendment of orders Grantee may have placed before processing inside information. Grantee also understands that he or she may be prohibited from (i) disclosing inside information to any third party, including fellow employees (other than on a "need to know" basis), and (ii) "tipping" third parties by sharing inside information with them, or otherwise causing third parties to buy or sell Company securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Grantee is responsible for complying with any applicable restrictions, and Grantee should consult with his or her personal legal and financial advisors on this matter before taking any action related to the Plan.

32. Foreign Assets/Account and Tax Reporting, Exchange Controls. Grantee's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Grantee's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Grantee's country. Grantee understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in Grantee's country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, Grantee may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of shares of Common Stock. Grantee acknowledges that he or she is responsible for complying with all such requirements, and that Grantee should consult personal legal and tax advisors, as applicable, to ensure compliance.

IN WITNESS WHEREOF, the parties hereunto agree to the terms and conditions set forth above and in the Summary.

RESMED INC.

Signed Electronically

/s/ Michael J. Farrell

Michael J. Farrell
Chief Executive Officer

GRANTEE

Signed Electronically

(Acceptance designated electronically at the plan administrator's Web site)

APPENDIX

Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Agreement and/or the Summary.

Terms and Conditions

This Appendix includes special and/or additional terms and conditions that govern the Options granted to Grantee under the Plan if Grantee resides and/or works in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If Grantee is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of Options, or is considered resident of another country for local law purposes, the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to Grantee.

Notifications

This Appendix also includes information regarding tax, securities law, exchange controls and certain other issues of which Grantee should be aware with respect to Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Grantee not rely on the information in this Appendix as the only source of information relating to the consequences of Grantee's participation in the Plan because the information may be out of date at the time that the Options are exercised or shares of Common Stock acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to Grantee's particular situation and the Company is not in a position to assure Grantee of any particular result. Accordingly, Grantee should seek appropriate professional advice as to how the relevant laws in his or her country may apply to Grantee's situation.

Finally, if Grantee is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of Options, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Grantee in the same manner.

Australia

Terms and Conditions

Option Vesting and Acceleration : Notwithstanding Sections 3(d) and 3(e) of the Agreement, prior to Grantee's Termination of Service due to either Disability or Retirement, Grantee may elect to forfeit any Options that vested prior to Grantee's Termination of Service due to either Disability or Retirement or that would vest as a result of Sections 3(d) or 3(e) of the Agreement. ***The Company strongly recommends that Grantee consult with his or her personal legal and tax advisor in this regard.***

Notifications

Securities Law Notification. If Grantee acquires shares of Common Stock under the Plan and subsequently offers such shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Grantee should obtain legal advice as to his or her disclosure obligations prior to making any such offer.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD 10,000 and for international fund transfers, including for the remittance of the Options Price and/or the repatriation of proceeds related to the sale of shares of Common Stock or

cash dividends paid on such shares. If an Australian bank is assisting with the transaction, then the bank will file the required exchange control report on Grantee's behalf. If no Australian bank is assisting with the transaction, then Grantee will have to file the required exchange control report.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

Germany

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 (including payment of the Option Price and/or the repatriation of proceeds related to the sale of shares of Common Stock or cash dividends) must be reported on a monthly basis to the German Federal Bank (*Bundesbank*). If Grantee makes or receives a payment in excess of this amount, Grantee must report the payment to Bundesbank electronically by the fifth day of the month following the month in which the payment was made/received. The form of the report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Singapore

Terms and Conditions

Sale of Shares. For any shares of Common Stock that are acquired within six months of the Grant Date, Grantee agrees that he or she will not dispose of the shares of Common Stock acquired prior to the six-month anniversary of the Grant Date, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), or any other applicable provisions of the SFA.

Notifications

Securities Law Information. The offer of the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of SFA and not with a view to the Options or shares of Common Stock being subsequently offered for sale to another party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. The directors, associate directors and shadow directors of a Singapore Subsidiary are subject to certain notification requirements under the Singapore Companies Act. The directors, associate directors and shadow directors must notify the Singapore Subsidiary in writing of an interest (*e.g.*, Options, shares of Common Stock, etc.) in the Company or any related company within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously disclosed interest (*e.g.* when shares of Common Stock are sold), or (iii) becoming a director, associate director or shadow director.

Exhibit 10.8

ResMed Inc.

Summary for Director Stock Option Award Agreement

1. Name of Participant: [PARTICIPANT NAME]
2. Date of Grant: [GRANT DATE]
3. Grant Price: [GRANT PRICE]
4. Options Granted: [QUANTITY GRANTED]
5. Expiration Date: [EXPIRATION DATE]

Vesting Schedule . Subject to the terms of the Agreement, the Options shall vest and become exercisable at the earlier of (i) the first November 11 following the Grant Date, or (ii) the date of the first annual meeting of stockholders of the Company following the Grant Date.

Please refer to Appendix: Vesting Schedule

Non-Employee Director

RESMED INC.

DIRECTOR STOCK OPTION AGREEMENT

This Director Stock Option Agreement, including any specific terms and conditions set forth in Appendices I and II hereto (collectively, the "Agreement") sets forth the terms of a Stock Option (the "Option") granted by ResMed Inc., a Delaware corporation (the "Company"), pursuant to the ResMed Inc. 2009 Incentive Award Plan, as amended and restated (the "Plan") and the Summary of Stock Option Grant (the "Summary") displayed at the Web site of the Company's plan administrator. The Plan and the Summary, which specifies the person to whom the Option is granted ("Grantee") and other specific details of the grant and the electronic acceptance of the Summary at the Web site of the Company's plan administrator are incorporated herein by reference.

A. Grantee is a non-employee director of the Company or a Subsidiary of the Company.

B. In consideration of services to be performed, Company desires to afford Grantee an opportunity to purchase shares of its Common Stock in accordance with the Plan, as hereinafter provided.

C. Any capitalized terms not otherwise defined herein shall have the meaning accorded them under the Plan or in the Summary, as applicable.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound, agree as follows:

1. Grant of Option. Company hereby irrevocably grants to Grantee an Option to purchase all or any part of the aggregate number of shares of the Common Stock of Company specified in the Summary (the "Option Shares") at the Option price specified in the Summary (the "Option Price"), during the period and subject to the conditions set forth in this Agreement and in the Summary.

2. Option Period. The Option Period begins on the Grant Date specified in the Summary and ends on the Expiration Date specified in the Summary, subject to earlier termination of the Option Period in accordance with Section 7 hereof. Any vested portion of the Option shall be exercised in accordance with the provisions of Sections 3, 4, 5, 6 and 7 hereof during the Option Period. All rights to exercise the Option, and the Option Period, shall terminate on the Expiration Date or such earlier date specified in Section 7 hereof.

3. Option Vesting. The Option shall become vested in full on the earlier of (i) the first November 11 following the Grant Date, or (ii) the date of the first (1st) annual meeting of stockholders of the Company following the Grant Date. Option vesting shall cease and the Option shall be forfeited as of the Grantee's Termination of Service. Notwithstanding the foregoing, in the event of a Change in Control (as defined in the Plan) and the Grantee does not continue as a director of the successor entity to such Change in Control, the Option shall be and become fully vested and exercisable as of the effective date of such Change in Control. Notwithstanding the foregoing, if Grantee dies or has a Termination of Service due to Disability, the unvested portion of the Option shall become fully vested and exercisable as of the date of such Grantee's death or Termination of Service due to Disability, as applicable. For purposes of this agreement, "Disability" shall mean a "disability" as defined in Treasury Regulation Section 1.409A-3(i)(4).

4. Option Exercise Period. Except as provided in Section 10, this Option shall be exercisable during the Option Period in accordance with the Vesting Schedule (as the same may be modified by Section 3 hereof) and at the Option Price per share specified on the Summary. The installments provided for in the Summary are cumulative, such that each installment that vests but is not exercised, may be carried forward and exercised in any future year during the Option Period.

5. Automatic Exercise of Option. Notwithstanding anything in this Agreement to the contrary, in the event the Option has not been exercised on or before the Expiration Date of the Option, and the Fair Market Value of the Common Stock on the Expiration Date of the Option exceeds its Option Price per share by 1% or more, as determined by the Company (or its agent), the vested portion of the Option shall be exercised automatically on the Expiration Date. The Option Price and any withholding obligations for Tax-Related Items (as defined in Section 11 herein) shall be paid through shares of Common Stock issuable upon exercise of the Option having a Fair Market Value at the close of the stock market on the date of exercise that is sufficient to cover the aggregate Option Price and any Tax-Related Items. The Company will thus issue Grantee shares of Common Stock upon such automatic exercise in an amount equal to the number of Option Shares subject to the Option, less the number of shares used to pay the aggregate Option Price and any applicable Tax-Related Items (based on the Fair Market Value of the Common Stock at the close of the market on the date of exercise).

6. Manner of Exercise. Exercise of the Option shall be by written notice as directed by the Company, details of which will be provided to Grantee. The notice shall be accompanied by payment in full in cash, check, or a combination thereof, in the aggregate amount of the Option Price specified in the Summary multiplied by the number of Option Shares to be purchased by Grantee through such exercise, plus payment of any applicable Tax-Related Items required to be withheld. In addition, the Option Price and any associated Tax-Related Items may be paid through the delivery of a notice that Grantee has placed a market sell order with a broker with respect to the shares of Common Stock then issuable upon exercise of the Option, and the broker timely pays a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option Price and any applicable Tax-Related Items withholding obligations.

7. Rights in Event of Termination of Service. In the event of Grantee’s Termination of Service for any reason, and after giving effect, to the extent applicable, to Section 3 regarding Option acceleration and Section 4 regarding the Option Exercise Period, the then vested, unexercised and unexpired portion, if any, of Grantee’s Option as of the date of Termination of Directorship may be exercised at any time until the earlier of (i) the third anniversary of such Termination of Service, or (ii) the Expiration Date specified in the Summary. After this date, the Option shall be automatically cancelled and the Option Period shall terminate.

8. Transferability of Option.

(a) Subject to subsection 8(b), the Option is not transferable by Grantee other than by will or by the laws of descent and distribution in the event of the Grantee's death, in which event the Option may be exercised by the heirs or legal representatives of the Grantee as provided in Section 7 hereof. The Option may be exercised during the lifetime of the Grantee only by the Grantee. Any attempt at assignment, transfer, pledge or disposition of the Option contrary to the provisions hereof or the levy of any execution, attachment or similar process upon the Option shall be null and void and without effect. Any exercise of the Option by a person other than the Grantee shall be accompanied by appropriate proofs of the right of such person to exercise the Option.

(b) Notwithstanding the foregoing provisions of subsection 8(a), for Grantees who are exclusively subject to the laws of the United States, the Administrator, in its sole discretion, may permit the transfer of a Non-Qualified Stock Option held by the Grantee (i) pursuant to a DRO, or (ii) by gift or contribution to a Permitted Transferee. Any Option that has been so transferred shall continue to be subject to all of the terms and conditions as applicable to the original Grantee, and the transferee shall execute any and all such documents requested by the Administrator in connection with the transfer, including without limitation to evidence the transfer and to satisfy any requirements for an exemption for the transfer under applicable federal and state securities laws.

9. Changes in Capital Structure.

(a) The number of Option Shares covered by this Option and the Option Price shall be equitably adjusted in the event of (i) the payment of any dividend or the making of any distribution of Common Stock to holders of record of Common Stock, (ii) any stock split, combination of shares, recapitalization or other similar change; (iii) the merger or consolidation of the Company into or with any

other corporation; or (iv) the reorganization, dissolution, liquidation or winding up of the Company (collectively, the "Event"), and the Grantee shall be entitled to receive such new, additional or other shares of stock of any class, or other property (including cash), as Grantee would have been entitled to receive as a matter of law in connection with such Event had Grantee held the Option Shares on the record date set for such Event. In addition, upon such change, the Option Price of the Option Shares or other securities subject to any unexercised portions of this Option shall be adjusted proportionately so that Grantee shall have the right to purchase the number of Option Shares (as adjusted) under this Option at an Option Price (as adjusted) which Grantee could purchase for the total purchase price applicable to the unexercised portion of this Option immediately prior to such Event had Grantee held the Option Shares on the record date set for such Event. Any fractional shares resulting from such calculation shall be eliminated. The Administrator shall have the authority to determine the adjustments to be made under this Section 9 and any such determination shall be final, binding and conclusive.

(b) Notwithstanding the provision of this Agreement, in the event of a Change in Control, the Option shall be assumed or an equivalent option substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, the Administrator may cause any or all of such Option to become fully exercisable prior to the consummation of such transaction and the Administrator shall notify Grantee of such acceleration and the Option shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option shall terminate upon the expiration of such period.

10. Legal Requirements.

(a) If the listing, registration or qualification of the Option Shares upon any securities exchange or under any U.S. and non-U.S. state or federal law, or the consent or approval of any governmental regulatory body is necessary or advisable as a condition of or in connection with the purchase of the Option Shares, the Company shall not be obligated to issue or deliver the certificates representing the Option Shares as to which the Option has been exercised unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained and is in effect. This Option does not hereby impose on the Company a duty to so list, register, qualify, maintain or effect or obtain consent or approval.

(b) The shares of stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or issued shares, which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable.

(c) The Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any Option Shares purchasable upon the exercise of any part of the Option unless and until such shares of Common Stock shall have been issued by the Company to the Grantee, as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company, or by the issuance of a stock certificate in Grantee's name.

11. Responsibility for Taxes.

(a) Grantee agrees and acknowledges that Grantee will consult with his or her personal tax advisor regarding any income tax, social insurance contributions or other tax-related items legally applicable or deemed legally applicable to Grantee ("Tax-Related Items") that may arise in connection with the Option and Grantee's participation in the Plan. Grantee is relying solely on such advisor and is not relying in any part on any statement or representation of the Company or any of its agents in relation to the Option or this Agreement. The Company shall not be responsible for payment of any Tax-Related Items, unless it is required to withhold Tax-Related Items under applicable law. Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to the grant, vesting or exercise of the Option, the issuance of Option Shares upon exercise of the Option, the subsequent sale of the Option Shares acquired at exercise and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the Award or any aspect of the Option to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

(b) The Company may take such action as it deems appropriate to ensure that all Tax-Related Items, which are Grantee's sole and absolute responsibility, are withheld or collected from Grantee, if and to the extent required by applicable law. If withholding of Tax-Related Items is required by applicable law, Grantee authorizes the Company, or its agents, in their sole discretion and without any notice to or additional authorization by Grantee, to satisfy applicable withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from Grantee's cash fees or other compensation paid to Grantee by the Company; (ii) causing Grantee to tender a cash payment (i.e., check or bank wire); (iii) withholding from the proceeds of the sale of Option Shares issued upon exercise, either through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization); (iv) if approved in advance by the Administrator, withholding Option Shares otherwise to be issued upon exercise; or (v) any other method determined by the Company, to the extent permitted under the Plan and applicable laws. Further, the Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in the country in which tax is due (to the extent permitted by the Plan). In the event of over-withholding, Grantee may receive a refund of any over-withheld amount in cash (with no entitlement to the Common Stock equivalent) or, if not refunded, Grantee may be able to seek a refund from the applicable tax authorities. In the event of under-withholding, Grantee may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, Grantee will be deemed to have been issued the full number of Option Shares subject to the exercised Options, notwithstanding that a number of the Option Shares is held back solely for the purpose of paying the Tax-Related Items.

(c) The Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Grantee or Grantee's legal representative or enter such shares of Common Stock in book entry form unless and until Grantee or Grantee's legal representative shall have paid or otherwise satisfied Grantee's obligations in connection with the Tax-Related Items resulting from the Option or the Option Shares subject to the Options.

12. No Obligation to Exercise Option. Grantee shall be under no obligation to exercise the Option.

13. Fractional Option Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the exercise of this Option, but the Company shall issue one additional share of its Common Stock in lieu of each fraction of a share otherwise called for upon any exercise of this Option.

14. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice or when sent by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below:

If to Company: ResMed Inc.
9001 Spectrum Center Blvd.
San Diego, CA 92123
USA
Attn: David Pendarvis, Corporate Secretary

If to Grantee: Address of the Grantee on file with ResMed Inc.

15. Administration. This Option has been granted pursuant to the Plan adopted by the Board of the Company and approved by the stockholders of the Company, and is subject to the terms and provisions thereof. By acceptance, hereof Grantee acknowledges receipt of a copy of the Plan. All questions of interpretation and application of the Plan and this Option shall be determined by the Company, and such determination shall be final, binding and conclusive.

16. No Right to Continued Service. Nothing in this Agreement or the Plan confers upon Grantee any right to continue in service for any period of specific duration.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

18. Governing Law / Venue. This Agreement shall be governed by and construed under the laws of the State of Delaware without regard to conflicts of laws or principles. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award of Options or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California and no other courts, where this grant is made and/or to be performed.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Agreement may be provided in electronic format in accordance with the Company's programs and policies permitting electronic delivery of signatures.

20. Amendment. This Agreement may not be amended in a material adverse way to Grantee except by an instrument in writing signed by the Grantee and the Company.

21. Conformity to Securities Laws. Grantee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the U.S. Securities and Exchange Commission thereunder, and other U.S. or non-U.S. state and federal securities laws and regulations, as well as any other applicable U.S. or non-U.S. state and federal laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

22. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide (a) to deliver by electronic means any documents related to the Options granted under the Plan, Grantee's participation in the Plan, or future awards that may be granted under the Plan or (b) to request by electronic means Grantee's consent to participate in the Plan. Grantee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

23. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the Options or any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. Waiver. Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Grantee or any other Permitted Transferee.

26. Participants Outside of the United States. If Grantee is a resident of a jurisdiction outside of the United States and subject to the laws of such jurisdiction, then Grantee hereby agrees to be subject to the additional requirements and disclosures set forth in Appendices I and II hereto, both the general

terms and any specific terms for Grantee's country, which are hereby incorporated into this Agreement, regardless of the law that might be applied under principles of conflicts of laws.

27. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice with respect to the Options, nor is the Company making any recommendations regarding Grantee's participation in the Plan, or Grantee's acquisition or sale of the underlying shares of Common Stock. Grantee should consult with his or her own personal tax, legal and financial advisors regarding Grantee's participation in the Plan before taking any action related to the Plan and the Options.

IN WITNESS WHEREOF, the parties hereunto agree to the terms and conditions set forth above and in the Summary.

RESMED INC.	GRANTEE
Signed Electronically	Signed Electronically
/s/ Michael J. Farrell	
Michael J. Farrell Chief Executive Officer	(Acceptance designated electronically at the plan administrator's Web site)

APPENDIX I

Additional Terms and Conditions For Directors Outside the United States

This Appendix I includes additional terms and conditions that govern the Award granted to Grantee under the Plan if Grantee resides and/or works in a country outside the United States of America (or if Grantee later relocates to such a country). Certain capitalized terms used but not defined in this Appendix I have the meanings set forth in the Plan, the Agreement and/or the Summary.

1. Data Privacy Consent.

a) Declaration of Consent. Grantee is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned below, including recipients located in countries which may not have a similar level of protection from the perspective of the data protection laws in Grantee's country.

b) Data Collection and Usage. The Company collects, processes and uses certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, compensation, nationality, job title, any shares or directorships held in the Company, details of all Options under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor ("Data"), for the purposes of managing Grantee's participation in the Plan. The legal basis, where required, for the processing of Data is Grantee's consent.

c) Stock Plan Administration Service Providers. The Company transfers Data, or parts thereof, to Fidelity Stock Plan Services, LLC and certain of its affiliated companies ("Fidelity"), which assists the Company with the implementation, administration and management of the Plan. Grantee acknowledges and understands that Fidelity will open an account for Grantee to receive and trade shares of Common Stock acquired under the Plan and that Grantee will be asked to agree on separate terms and data processing practices with Fidelity, which is a condition of Grantee's ability to participate in the Plan. In the future, the Company may select a different service provider and may share Data with such different service provider that serves in a similar manner.

d) International Data Transfers. The Company and Fidelity are based in the United States. Grantee understands that his or her country may have enacted data privacy laws that are different from the laws of the United States. As a result, in the absence of appropriate safeguards such as standard data protection clauses, the processing of Grantee's Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Grantee might not have enforceable rights regarding the processing of his or her Data in such countries.

To the extent applicable to Grantee, the Company provides appropriate safeguards for protecting Data that it receives in the United States through its adherence to data transfer agreements entered into between the Company and Subsidiaries within the European Union. Otherwise, where required, the Company's legal basis for the transfer of Data is Grantee's consent.

e) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage Grantee's participation in the Plan, or as required to comply with applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes.

f) Voluntariness and Consequences of Consent Denial or Withdrawal . Participation in the Plan is voluntary and Grantee is providing the consents herein on a purely voluntary basis. Grantee understands that he or she may withdraw consent at any time with future effect for any or no reason. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, Grantee's service as a Director will not be affected; the only consequence of refusing or

withdrawing consent is that the Company would not be able to offer Options or other awards to Grantee or administer or maintain Grantee's participation in the Plan.

g) Data Subject Rights. Grantee understands that data subject rights vary depending on applicable law and that, depending on where Grantee is based and subject to the conditions under applicable law, Grantee may have, without limitation, the rights to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Grantee's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Grantee understands that he or she can contact the Company.

2. Insider Trading / Market Abuse Laws. Grantee acknowledges that, depending on Grantee's country, the broker's country, or the country in which shares of Common Stock are listed, Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (*e.g.*, Options) or rights linked to the value of shares of Common Stock during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the relevant jurisdiction). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Grantee is responsible to comply with any applicable restrictions, and Grantee should speak to his or her personal advisor regarding this matter.

3. Foreign Assets/Account and Tax Reporting, Exchange Controls.

h) Grantee's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Grantee's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Grantee's country. Grantee understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in Grantee's country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, Grantee may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of shares of Common Stock. Grantee acknowledges that he or she is responsible for complying with all such requirements, and that Grantee should consult personal legal and tax advisors, as applicable, to ensure compliance.

i) The Company shall not be liable for any foreign exchange rate fluctuation between Grantee's local currency and the United States Dollar that may affect the value of the Options or of any amounts due to Grantee pursuant to the exercise of the Options or the subsequent sale of any shares of Common Stock acquired upon exercise.

4. Language. In the event Grantee has received this Agreement, including Appendices I and II, or any other document related to the Plan translated into a language other than English, the English version will control to the extent the meaning of the translated version differs from the English version.

APPENDIX II

Certain capitalized terms used but not defined in this Appendix II have the meanings set forth in the Plan, the Agreement, Appendix I and/or the Summary.

This Appendix II includes special and/or additional terms and conditions that govern the Options granted to Grantee under the Plan if Grantee is a resident of a jurisdiction outside of the United States and subject to the laws of such jurisdiction. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If Grantee is a citizen or resident of a country other than the one in which he or she is currently residing and/or transfers residency to another country after the grant of the Options, or is considered resident of another country for local law purposes, the Administrator shall, in its discretion, determine to what extent any country-specific terms and conditions contained herein shall be applicable to Grantee.

Singapore

Sale of Shares. For any shares of Common Stock that are acquired within six months of the Grant Date, Grantee agrees that he or she will not dispose of the shares of Common Stock acquired prior to the six-month anniversary of the Grant Date, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), or any other applicable provisions of the SFA.

Securities Law Information. The offer of the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of SFA and not with a view to the Options or shares of Common Stock being subsequently offered for sale to another party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Exhibit 10.9

ResMed Inc.

Summary for Performance-Based Restricted Stock Unit ("PSU")
Award Agreement

1. Holder. [PARTICIPANT NAME]

2. Grant Date [GRANT DATE**]**

3. Target Number of PSUs: [PSUs GRANTED]

4. Maximum Number of PSUs: 225% of Target Number of PSUs

5. Performance Period: [GRANT DATE **through [FOURTH YEAR ANNIVERSARY]**]

6 . Vesting Schedule . Subject to the terms of the Agreement, including the terms requiring the satisfaction of specified Performance Goals, the PSUs shall vest and become nonforfeitable on the applicable Certification Date.

RESMED INC.

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

This Performance-Based Restricted Stock Unit Award Agreement including any country-specific terms and conditions set forth in Appendix I hereto and the Performance Goals set forth in Appendix II hereto (collectively, the "***Agreement***") sets forth the terms and conditions of the performance–based restricted stock units ***("Performance Stock Units***" or "***PSUs***") granted by ResMed Inc., a Delaware corporation (the "***Company***"), under the ResMed Inc. 2009 Incentive Award Plan, as amended from time to time (the "***Plan***"), and pursuant to the Summary of Performance-Based Restricted Stock Unit Award Grant (the "***Summary***") displayed at the Web site of the Company's plan administrator. The Summary specifies the person to whom the PSUs are granted ("***Holder***"), the grant date of the PSUs (the "***Grant Date***"), the vesting schedule of the PSUs (the "***Vesting Schedule***"), the target number of PSUs granted to Holder, and other specific details of the grant. The Summary is deemed part of this Agreement.

ARTICLE 1.

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Summary.

As used herein, the term "***Disability***" shall mean a "disability" as defined in Treasury Regulation Section 1.409A-3(i)(4).

As used herein, the term "***Performance Stock Unit***" and "***PSU***" shall mean a non-voting unit of measurement which represents the right to receive one share of Common Stock for each unit that vests (subject to adjustment as provided in Section 11.3 of the Plan) solely for purposes of the Plan and this Agreement. The PSUs shall be used solely as a device for the determination of the issuance of shares of Common Stock to eventually be made to Holder if and to the extent such PSUs are eligible for vesting and vest pursuant to Section 2.2 hereof. The PSUs shall not be treated as property or as a trust fund of any kind.

As used herein, the term "***Retirement***" shall mean a Termination of Service after (a) sixty (60) years of age and (b) completion of five (5) years of continuous service with the Company or any Subsidiary.

1.2 Incorporation of Terms of Plan, Summary and Appendices I and II. The PSUs are subject to the terms and conditions of the Plan, the Summary, Appendix I hereto (which sets forth special and/or additional legal requirements, terms and conditions as may be required by Holder's country) and Appendix II hereto (which sets forth certain Performance Goals applicable to the PSUs), each of which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent applicable, in the event of any inconsistency between this Performance-Based Restricted Stock Unit Award Agreement and Appendices I and II, the terms of Appendices I and II shall control.

ARTICLE 2.

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. Effective as of the Grant Date, the Company grants to Holder an award of PSUs as set forth in the Summary, upon the terms and conditions set forth in the Summary, the Plan, and this Agreement.

2.2 PSUs subject to Performance Goals; Vesting Schedule.

(a) Appendix II attached hereto sets forth the Performance Goals that must be satisfied in order for the PSUs to be eligible for vesting. The Performance Goals are based on the Company's cumulative Absolute Total Stockholder Return achieved over a certain specified period (the "***Performance Period***"), all as set forth on Appendix II. The Compensation Committee shall certify the extent to which the Performance Goals have been achieved and the PSUs are eligible for vesting, with such certification occurring as soon as practicable following the end of the applicable Performance Period and in any event no later than 90 days following the end of such Performance Period (such certification occurring on the "***Certification Date***"). Except as set forth in Section 2.4(b), any unvested PSUs for which the Performance Goals have not been achieved shall be automatically forfeited, terminated and cancelled effective as of the applicable Certification Date, without the payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights with respect to such PSUs under the Agreement.

(b) Subject to Sections 2.2(c) and 2.4 hereof, the PSUs awarded pursuant to the Summary and eligible for vesting in accordance with Appendix II will vest and become nonforfeitable on the applicable Certification Date, subject to Holder's continued employment or services through such Certification Date. Unless otherwise determined by the Administrator, partial employment or service, even if substantial, during any portion of the Performance Period will not entitle Holder to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Service as provided in Section 2.4 hereof or under the Plan.

(c) Notwithstanding Section 2.2(b) hereof, Appendix II and the Summary, and subject to Section 2.4 hereof, in the event of a Change in Control of the Company, the PSUs, to the extent then outstanding and not previously forfeited, shall become vested and nonforfeitable as of the date of such Change in Control, based on performance under the Performance Goals, pro-rated as set forth on Appendix II, from the commencement of the Performance Period through the date of the Change in Control.

2.3 No Right to Employment. Nothing in the Plan or this Agreement, nor Holder's participation in the Plan, shall confer upon Holder any right to continue in the employ or service of the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge or terminate the services of Holder at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Holder. In the event that Holder is not an Employee, Director or Consultant of the Company, the grant will not be interpreted to form an employment or service contract with the Company.

2.4 Forfeiture, Termination and Cancellation upon Terminations of Service.

(a) Notwithstanding any contrary provision of this Agreement, except as provided in Section 2.4(b), upon Holder's Termination of Service for any or no reason (other than Holder's death, Disability, Retirement or termination without "cause" or for "good reason" as provided in Section 2.4(b)), all PSUs subject to this Agreement (whether unvested or eligible for vesting) will thereupon be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights hereunder. For purposes of this Agreement, the employment relationship of Holder will be treated as continuing intact while he or she is on military or sick leave or other bona fide leave of absence if such leave does not exceed ninety days, provided, however, that the period of the leave may exceed ninety days so long as Holder's right to re-employment is guaranteed either by statute or by contract, or in any other circumstance as may be required by law.

(b) Notwithstanding the foregoing, Appendix II and the Summary, (i) if Holder dies or has a Termination of Service due to Disability while serving as an Employee, Director or Consultant of the Company or a Subsidiary, as applicable, the PSUs shall become fully vested and nonforfeitable at 100% of the target number of PSUs as of the date of such Holder's death or Termination of Service due to Disability, as applicable; or (ii) if Holder has a Termination of Service by the Company without "cause," by Holder for "good reason" (each as defined in Holder's change in control agreement with the Company, if any) or due to Holder's Retirement, in each case while serving

as an Employee, Director or Consultant of the Company or a Subsidiary, the PSUs shall become vested and nonforfeitable, as of the date of such Termination of Service, on a prorated basis, based on the number of days of Holder's service with the Company or a Subsidiary during the original four-year Performance Period through the date of Holder's Termination of Service, and based on performance under the Performance Goals, pro-rated as set forth on Appendix II, from the commencement of the Performance Period through the date of Holder's Termination of Service. Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in Holder's jurisdiction that likely would result in the favorable Retirement treatment that otherwise would apply to the PSUs pursuant to this Section 2.4(b)(ii) being deemed unlawful and/or discriminatory, then the Company will not apply this favorable Retirement treatment at the time of Holder's Termination of Service and the PSUs will be treated as they would under the rules that otherwise would have applied if Holder's Termination of Service did not qualify as a Retirement.

For purposes of this Agreement, Holder's Termination of Service is deemed to occur as of the date Holder is no longer actively providing services to the Company or a Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of applicable laws in the jurisdiction where Holder is employed or rendering services or the terms of Holder's employment or service agreement, if any) and, unless otherwise provided in this Section 2.4(b), Holder's right to vest in the PSUs, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Holder's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under applicable laws in the jurisdiction where Holder is employed or providing services or the terms of Holder's employment or service contract, if any). The Administrator shall have the exclusive discretion to determine when Holder's Termination of Service for purposes of the PSUs has occurred (including whether Holder may still be considered to be providing services while on a leave of absence).

2.5 Issuance of Shares upon Vesting.

Subject to Appendix II, as soon as administratively practicable following the vesting of any PSUs pursuant to Section 2.2 or Section 2.4(b) hereof, but in no event later than 30 days after such vesting date, the Company shall deliver to Holder a number of shares of Common Stock equal to the number of such PSUs that vested on the applicable vesting date, less to the extent applicable, the number of shares of Common Stock withheld in accordance with Section 2.6(b). The shares of Common Stock delivered hereby shall be represented either by one or more stock certificates or by book entry, as determined by the Company in its sole discretion. Notwithstanding the foregoing:

(a) in the event shares of Common Stock cannot be issued in the time frame specified above due to the effects of Sections 2.7(a), (b) or (c) hereof, then the shares of Common Stock shall be issued as soon as administratively practicable after the Administrator determines that shares of Common Stock can again be issued in accordance with Sections 2.7(a), (b) and (c) hereof, subject to compliance with Section 409A (as defined in Section 3.13 below); and

(b) if the PSUs constitute "nonqualified deferred compensation" subject to Section 409A and Holder is subject to U.S. federal taxation, then: (i) any PSUs that vest other than pursuant to Section 2.2(c) or Section 2.4(b) will be paid in the calendar year in which the original four-year Performance Period, or, if applicable, the Accelerated Performance Period ends (the "***Standard Payment Date***"); (ii) to the extent that the PSUs vest upon a Change in Control under Section 2.2(c) and such event is not a "change in control event" within the meaning of Section 409A, any settlement of PSUs due upon such Change in Control shall instead be made within upon the earliest to occur of (A) the Standard Payment Date, (B) Holder's "separation from service" within the meaning of Section 409A, (C) Holder's Disability, or (D) Holder's death; and (iii) to the extent that the PSUs vest upon Holder's Termination of Service, the PSUs shall be paid within thirty (30) days after the date on which Holder experiences a "separation from service" within the meaning of Section 409A; provided, however, if Holder is a "specified employee" within the meaning of Section 409A as of the date of Holder's separation from service, Holder's vested PSUs shall instead be settled during the thirty (30) day period commencing on the earlier of (A) the expiration of the six (6) month period measured from the date of Holder's separation from service or (B) the date of Holder's death, to the extent that such delayed payment is required to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, or any successor provision thereto.

2.6 Responsibility for Taxes.

(a) Regardless of any action the Company or, if different, the Subsidiary employing Holder or for which Holder otherwise provides services (the "***Employer***") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to Holder's participation in the Plan and legally applicable or deemed legally applicable to Holder ("***Tax-Related Items***"), Holder acknowledges that the ultimate liability for all Tax-Related Items is and remains Holder's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Holder further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to the grant of the PSUs, the vesting or settlement of the PSUs, the issuance of shares of Common Stock in settlement of the PSUs, the subsequent sale of the shares of Common Stock acquired at vesting and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the PSUs to reduce or eliminate Holder's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if Holder is subject to tax in more than one jurisdiction, Holder acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) In connection with any relevant taxable or tax withholding event, as applicable, Holder must pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Holder hereby authorizes the Company and/or the Employer, or their respective agents, in their sole discretion and without any notice to or additional authorization by Holder, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Holder's compensation or other wages payable to Holder by the Company, the Employer and/or any other Subsidiary;

(ii) causing Holder to tender a cash payment (i.e., check or bank wire);

(iii) withholding from the proceeds of the sale of shares of Common Stock issued upon vesting, either through a voluntary sale or through a mandatory sale arranged by the Company (on Holder's behalf pursuant to this authorization);

(iv) withholding shares of Common Stock otherwise to be issued upon vesting; or

(v) any other method determined by the Company, to the extent permitted under the Plan and applicable laws;

provided, however that if Holder is a Section 16 officer of the Company under the Exchange Act, then the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (i)-(iii) or (v) above. Further, notwithstanding anything herein to the contrary, the Company may cause a portion of the PSUs to vest prior to the date(s) set forth in the Vesting Schedule in order to satisfy any Tax-Related Items that arise prior to the date of settlement of the PSUs; provided that to the extent necessary to avoid a prohibited distribution under Section 409A, the number of PSUs so accelerated and settled shall be with respect to a number of shares of Common Stock with a value that does not exceed the liability for the Tax-Related Items.

(c) The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in Holder's jurisdiction(s) (to the extent permitted by the Plan). In the event of over-withholding, Holder may receive a refund of any over-withheld amount in cash (with no entitlement to the Common Stock equivalent) or, if not refunded, Holder may be able to seek a refund from the applicable tax authorities. In the event of under-withholding, Holder may be required to pay

additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, Holder will be deemed to have been issued the full number of shares of Common Stock subject to the vested PSUs, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) Holder agrees to pay to the Company and/or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Holder's participation in the Plan that cannot be satisfied by the means previously described.

(e) The Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Holder or Holder's legal representative or enter such shares of Common Stock in book entry form unless and until Holder or Holder's legal representative shall have paid or otherwise satisfied Holder's obligations in connection with the Tax-Related Items resulting from the PSUs or the shares of Common Stock subject to the PSUs.

2.7 Conditions to Delivery of Common Stock; Legal Requirements. The shares of Common Stock deliverable hereunder, or any portion thereof, may be either previously authorized but unissued shares of Common Stock or issued shares of Common Stock which have then been reacquired by the Company. Such shares of Common Stock shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any shares of Common Stock deliverable hereunder or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares of Common Stock to listing on all stock exchanges on which such Common Stock is then listed;

(b) The completion and maintenance of any registration or other qualification of such shares of Common Stock under any U.S. and non-U.S. state or federal law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any U.S. or non-U.S. state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the vesting of any PSUs as the Administrator may from time to time establish for reasons of administrative convenience.

2.8 Rights as Stockholder. Holder shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PSUs and any shares of Common Stock underlying the PSUs and deliverable hereunder unless and until such shares of Common Stock shall have been issued by the Company and held of record by such Holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the shares of Common Stock are issued, except as provided in Section 11.3 of the Plan. No Dividend Equivalent awards shall be awarded in respect of, and no dividends shall be paid with respect to, any PSUs.

ARTICLE 3.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Holder, the Company and all other interested persons. No member of the Committee or the Board

shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Grant is Not Transferable.

(a) Except as set forth in Section 3.2(b), during the lifetime of Holder, the PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the vested PSUs have been issued. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of Holder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) Notwithstanding the foregoing provisions of subsection 3.2(a), for Holders who are exclusively subject to the laws of the United States, the Administrator, in its sole discretion, may permit the transfer of PSUs held by Holder pursuant to a DRO. Any PSU that has been so transferred shall continue to be subject to all of the terms and conditions as applicable to the original Holder, and the transferee shall execute any and all such documents requested by the Administrator in connection with the transfer, including, without limitation, to evidence the transfer and to satisfy any requirements for an exemption for the transfer under applicable federal and state securities laws.

3.3 Binding Agreement. Subject to the limitation on the transferability of the PSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.4 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the PSUs and the issuance of shares of Common Stock with respect to vested PSUs in such circumstances as it, in its sole discretion, may determine; provided, however, that if the PSUs constitute "nonqualified deferred compensation" subject to Section 409A and Holder is subject to U.S. federal taxation, no acceleration of the issuance of the shares of Common Stock may occur other than as expressly permitted under Section 409A. In addition, upon the occurrence of certain events relating to the Common Stock contemplated by Section 11.3 of the Plan, the Administrator shall make any appropriate adjustments in the number of PSUs then outstanding and the number and kind of securities that may be issued in respect of the PSUs. Holder acknowledges that the PSUs are subject to amendment, modification and termination in certain events as provided in this Agreement and Section 11.3 of the Plan.

3.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice (which may include electronic delivery by email) or when sent by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below:

If to Company:	ResMed Inc. 9001 Spectrum Center Blvd. San Diego, CA 92123 USA Attn: David Pendarvis, Corporate Secretary
If to Holder:	Address of the Holder on file with ResMed Inc. or its Subsidiary

3.6 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.7 Governing Law / Venue. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement

regardless of the law that might be applied under principles of conflicts of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award of PSUs or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California and no other courts, where this grant is made and/or to be performed.

3.8 Conformity to Laws. Holder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the U.S. Securities and Exchange Commission thereunder, and other U.S. or non-U.S. state and federal securities laws and regulations, as well as any other applicable U.S. or non-U.S. state and federal laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.9 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board; *provided* that, except as may otherwise be provided by the Plan and subject to Section 3.8, Section 3.11, Section 3.13 and Section 3.21 hereof, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of Holder.

3.10 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon Holder and his or her heirs, executors, administrators, successors and assigns.

3.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Holder is subject to Section 16 of the Exchange Act, the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.12 Entire Agreement and Acceptance. The Plan, the Summary and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof.

3.13 Section 409A. The parties intend that this Agreement and the benefits provided hereunder be exempt from the requirements of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise. However, to the extent that the PSUs (or any portion thereof) may be subject to Section 409A, the parties intend that this Agreement and such benefits comply with the deferral, payout, and other limitations and restrictions imposed under Section 409A and this Agreement shall be interpreted, operated and administered in a manner consistent with such intent. Notwithstanding any other provision of the Plan, the Summary or this Agreement, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Holder or any other person for failure to do so) to adopt such amendments to the Plan, the Summary or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the PSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in this Agreement, the Plan or the Summary shall provide a basis for any person to take action against the Company or any Subsidiary based on matters covered by

Section 409A of the Code, including the tax treatment of any amount paid or PSUs granted under this Agreement, and neither the Company nor any of its Subsidiaries shall under any circumstances have any liability to Holder or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

3.14 Limitation on Holder's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Unless and until the PSUs will have vested in the manner set forth in Article 2 hereof, Holder will have no right to the issuance of shares of Common Stock with respect to the PSUs. Holder shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

3.15 Language. Holder acknowledges that he or she is proficient in the English language and understands the provisions in this Agreement and the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. Further, in the event Holder has received this Agreement, including Appendix I hereto (if any), or any other document related to the Plan translated into a language other than English, the English version will control to the extent the meaning of the translated version differs from the English version.

3.16 Electronic Delivery. The Company may, in its sole discretion, decide (a) to deliver by electronic means any documents related to the PSUs granted under the Plan, Holder's participation in the Plan, or future awards that may be granted under the Plan or (b) to request by electronic means Holder's consent to participate in the Plan. Holder hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

3.17 Nature of Grant. By accepting the PSUs, Holder acknowledges, understands and agrees that:

(a) the grant of PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;

(b) all decisions with respect to future awards of PSUs or other grants, if any, will be at the sole discretion of the Company;

(c) Holder is voluntarily participating in the Plan;

(d) the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(e) the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including (without limitation) calculating any severance, resignation, redundancy or end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

(g) no claim or entitlement to compensation or damages shall arise from termination of the PSUs resulting from a Termination of Service (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Holder is employed or rendering services or the terms of Holder's employment or service agreement, if any);

(h) unless otherwise agreed with the Company, the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service Holder may provide as a director of a Subsidiary;

(i) the Company is not providing any tax, legal or financial advice with respect to the PSUs, nor is the Company making any recommendations regarding Holder's participation in the Plan, or Holder's acquisition or sale of the underlying shares of Common Stock;

(j) Holder should consult with his or her own personal tax, legal and financial advisors regarding Holder's participation in the Plan before taking any action related to the Plan and the PSUs; and

(k) the following provisions apply only if Holder is providing services outside the United States:

(i) the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose; and

(ii) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between Holder's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to Holder pursuant to the settlement of the PSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

3.18 Data Privacy Consent.

(a) Declaration of Consent. Holder is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data (as defined below) to the recipients mentioned below, including recipients located in countries which may not have a similar level of protection from the perspective of the data protection laws in Holder's country.

(b) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about Holder, including, but not limited to, Holder's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all PSUs under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in Holder's favor ("Data"), for the purposes of managing Holder's participation in the Plan. The legal basis, where required, for the processing of Data is Holder's consent.

(c) Stock Plan Administration Service Providers. The Company transfers Data, or parts thereof, to Fidelity Stock Plan Services, LLC and certain of its affiliated companies ("Fidelity"), which assists the Company with the implementation, administration and management of the Plan. Holder acknowledges and understands that Fidelity will open an account for Holder to receive and trade shares of Common Stock acquired under the Plan and that Holder will be asked to agree on separate terms and data processing practices with Fidelity, which is a condition of Holder's ability to participate in the Plan. In the future, the Company may select a different service provider and may share Data with such different service provider that serves in a similar manner.

(d) International Data Transfers. The Company and Fidelity are based in the United States. Holder understands that his or her country may have enacted data privacy laws that are different from the laws of the United States. As a result, in the absence of appropriate safeguards such as standard data protection clauses, the processing of Holder's Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Holder might not have enforceable rights regarding the processing of his or her Data in such countries.

The Company provides appropriate safeguards for protecting Data that it receives in the United States through its adherence to data transfer agreements entered into between the Company and Subsidiaries within the European Union. Otherwise, where required, the Company's legal basis for the transfer of Data is Holder's consent.

(e) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage Holder's participation in the Plan, or as required to comply with applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. This means Data may be retained even after Holder's Termination of Service.

(f) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and Holder is providing the consents herein on a purely voluntary basis. Holder understands that he or she may withdraw consent at any time with future effect for any or no reason. If Holder does not consent, or if Holder later seeks to revoke his or her consent, Holder's employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to offer PSUs or other awards to Holder or administer or maintain Holder's participation in the Plan.

(g) Data Subject Rights. Holder understands that data subject rights vary depending on applicable law and that, depending on where Holder is based and subject to the conditions under applicable law, Holder may have, without limitation, the rights to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Holder's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Holder understands that he or she can contact Holder's local human resources representative.

3.19 Participants Outside of the United States. Notwithstanding any provisions in this Agreement, the PSUs shall be subject to any additional terms and conditions set forth in Appendix I hereto for Holder's country. Moreover, if Holder relocates to one of the countries included in Appendix I (if any), the terms and conditions for such country will apply to Holder, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The terms included in Appendix I constitute part of this Agreement.

3.20 Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

3.21 Imposition of Other Requirements. The Company reserves the right to impose other requirements on Holder's participation in the Plan, on the PSUs or any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable or legal or administrative reasons, and to require Holder to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

3.22 Waiver. Holder acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Holder or any other Holder.

3.23 Insider Trading/Market Abuse Laws. Holder acknowledges that, depending on Holder's country, the broker's country, or the country in which shares of Common Stock are listed, Holder may be subject to insider trading restrictions and/or market abuse laws, which may affect Holder's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (*e.g.*, PSUs) or rights linked to the value of shares of Common Stock during such times as Holder is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the relevant jurisdiction). Further, Holder understands that local insider trading laws and regulations prohibit the cancellation or amendment of orders Holder may have placed before processing insider information. Holder also understands that he or she may be prohibited from (i) disclosing inside information to any third party, including fellow employees (other than on a "need to know" basis), and (ii) "tipping" third parties by sharing inside information with them, or otherwise

causing third parties to buy or sell Company securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Holder is responsible for complying with any applicable restrictions, and Holder should consult with his or her personal legal and financial advisors on this matter before taking any action related to the Plan.

3.24 Foreign Assets/Account and Tax Reporting, Exchange Controls . Holder's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Holder's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Holder's country. Holder understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in Holder's country. Holder also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, Holder may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of shares of Common Stock. Holder acknowledges that he or she is responsible for complying with all such requirements, and that Holder should consult personal legal and tax advisors, as applicable, to ensure compliance.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereunto agree to the terms and conditions set forth in this Agreement and the Summary.

RESMED INC.	HOLDER
	[ELECTRONIC SIGNATURE]
/s/ Michael J. Farrell	
Michael J. Farrell Chief Executive Officer	(Acceptance designated electronically at the plan administrator's Web site)

APPENDIX I

Certain capitalized terms used but not defined in this Appendix I have the meanings set forth in the Plan, the Agreement and/or the Summary.

Terms and Conditions

This Appendix I includes special and/or additional terms and conditions that govern the PSUs granted to Holder under the Plan if Holder resides and/or works in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If Holder is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of PSUs, or is considered resident of another country for local law purposes, the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to Holder.

Notifications

This Appendix also includes information regarding tax, securities law, exchange controls and certain other issues of which Holder should be aware with respect to Holder's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Holder not rely on the information in this Appendix I as the only source of information relating to the consequences of Holder's participation in the Plan because the information may be out of date at the time that the PSUs vest or shares of Common Stock acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to Holder's particular situation and the Company is not in a position to assure Holder of any particular result. Accordingly, Holder should seek appropriate professional advice as to how the relevant laws in his or her country may apply to Holder's situation.

Finally, if Holder is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of PSUs, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Holder in the same manner.

Australia

Terms and Conditions

Australian Offer Document. The offering of the Plan in Australia is intended to qualify for exemption from the prospectus requirements under Class Order 14/1000 issued by the Australian Securities and Investments Commission. Holder's participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document, the Plan and the Agreement.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD 10,000 and for international fund transfers, including for the remittance of proceeds related to the sale of shares of Common Stock acquired under the Plan and/or dividends paid on such shares. If an Australian bank is assisting with the transaction, then the bank will file the required exchange control report on Holder's behalf. If no Australian bank is assisting with the transaction, then Holder will have to file the required exchange control report.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

Germany

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 in connection with the sale of securities (including shares of Common Stock acquired under the Plan and/or dividends) must be reported on a monthly basis to the German Federal Bank (Bundesbank). If Holder receives a payment in excess of this amount, Holder must report the payment to Bundesbank electronically by the fifth day of the month following the month in which the payment was received. The form of the report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Singapore

Terms and Conditions

Sale of Shares. For any shares of Common Stock that are issued within six months of the Grant Date, Holder agrees that he or she will not dispose of the shares of Common Stock acquired prior to the six-month anniversary of the Grant Date, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), or any other applicable provisions of the SFA.

Notifications

Securities Law Information. The offer of the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of SFA and not with a view to the PSUs or shares of Common Stock being subsequently offered for sale to another party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. The directors, associate directors and shadow directors of a Singapore Subsidiary are subject to certain notification requirements under the Singapore Companies Act. The directors, associate directors and shadow directors must notify the Singapore Subsidiary in writing of an interest (*e.g.*, PSUs, shares of Common Stock, etc.) in the Company or any related company within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously disclosed interest (*e.g.* when shares of Common Stock are sold), or (iii) becoming a director, associate director or shadow director.

APPENDIX II

This Appendix II sets forth the performance goals (the "Performance Goals") for the PSUs and shall determine the extent to which the Performance Goals are achieved and the extent to which the PSUs will be eligible for vesting at the end of the applicable Performance Period.

Performance Goals

Absolute TSR.

The Performance Goals shall be based on the Company's absolute Total Stockholder Return ("***Absolute TSR***") over the four-year period beginning [GRANT DATE] and ending [FOURTH YEAR ANNIVERSARY], or such shorter period as provided below (in the event the Accelerated Vesting Threshold is achieved), or in Section 2.2(c) due to a Change in Control or as provided in Section 2.4(b)(ii) for certain Terminations of Service (in any such case, the "***Performance Period"***), as set forth below.

Calculation to Determine PSUs Earned.

Each Holder is entitled to vest in a number of shares of Common Stock underlying the corresponding number of PSUs (at a rate of one share for each underlying PSU), ranging from 0% to 225% of the target number of PSUs granted to such Holder (for each Holder, the "***Target PSUs***"), based on the Company's Absolute TSR over the four-year Performance Period and determined based on the table immediately below, subject to Holder's continued service through the Certification Date (or the earlier Termination of Service date described in Section 2.4(b)(ii) or Change in Control date, as applicable). In the event of a Change in Control or a Termination of Service described in Section 2.4(b)(ii), then the determination of the percentage of the Target PSUs eligible for vesting shall be calculated in accordance with the table immediately below, provided that the Regular Vesting Threshold and all other Performance Goal thresholds, which relate to a four-year Performance Period, shall be pro-rated based on compound annualized growth rates (CAGR) from the Base TSR Growth Rates provided in the below table, to correspond with the shortened Performance Period. Linear interpolation will be used to calculate actual awards for performance between the percentiles indicated below.

Cumulative Absolute TSR over the Performance Period	**Base TSR Growth rate**	**% of Target PSUs Eligible for Vesting**
22% (the "***Regular Vesting Threshold***")	5%	50%
34%	7.5%	75%
46%	10%	100%
52%	11%	125%
57%	12%	150%
63%	13%	175%
69%	14%	200%
75%	15%	225%

Notwithstanding the foregoing, if the Company achieves an Absolute TSR over the three-year period beginning on [GRANT DATE] and ending on [THIRD YEAR ANNIVERSARY] (the "***Accelerated Performance Period***") of at least 16% (the "***Accelerated Vesting Threshold***"), then the determination set forth in the paragraph and table above shall be disregarded and Holder instead shall be entitled to earn a number of shares of Common Stock underlying the corresponding PSUs (at a rate of one share for each underlying PSU), ranging from 0% to 225% of the Target PSUs, based on the Company's Absolute TSR over the Accelerated Performance Period subject to Holder's continued service through the Certification Date for such period. Linear interpolation will be used to calculate actual awards for performance between the percentiles indicated below.

Cumulative Absolute TSR over the Three-Year Performance Period	% of Target PSUs Earned
16%	50%
24%	75%
33%	100%
37%	125%
40%	150%
44%	175%
48%	200%
52%	225%

In addition, Holder shall have a one-time opportunity to be eligible to vest in 25% of the Target PSUs if and only if the Company's cumulative Absolute TSR, for any period beginning on the Grant Date and ending on the last day of any fiscal quarter that ends during the Accelerated Performance Period, is greater than or equal to 33%. In such an event, any such 25% of the Target PSUs shall vest on the earlier of (i) the Certification Date for the Accelerated Performance Period, irrespective of whether the Accelerated Vesting Threshold is achieved or not achieved, subject to Holder's continued employment or services through such Certification Date, (ii) in the event of a Termination of Service described in Section 2.4(b)(ii), the date of such Termination of Service or (iii) a Change in Control, subject in each case to continued service through the applicable date. In the event that either the Accelerated Vesting Threshold or the Vesting Threshold is achieved, then the 25% of the Target PSUs eligible for vesting pursuant to this paragraph shall be part of, and not in addition to, the Target PSUs eligible for vesting in accordance with the applicable table above.

In no event shall more than 225% of the Target PSUs be eligible for vesting.

Determination of Absolute TSR.

The Company's Absolute TSR shall be determined by taking the closing per share price of the Company's Common Stock on the Grant Date as the starting point for the Absolute TSR calculation. The starting per share price will be compared to an ending per share price, which shall be the trailing 30-day average per share price of the Company's Common Stock as of the end of the applicable Performance Period. The calculation of Absolute TSR for the Company shall be based on the change in the per share price plus reinvested dividends over the applicable Performance Period.

Additionally, as set forth in, and pursuant to, Section 3.4 hereof, appropriate adjustments to Absolute TSR shall be made to take into account all stock dividends, stock splits, reverse stock splits and the other events set forth in Section 3.4 hereof that occur prior to the applicable Certification Date.

Compensation Certification

The Compensation Committee shall certify in writing the extent to which the Performance Goals have been achieved, and the number of PSUs eligible for vesting based on the Performance Goals on the applicable Certification Date, which shall be as soon as practicable following the end of the applicable Performance Period, and in no event later than 90 days after the end of the applicable Performance Period. Except in the event of the vesting of the PSUs upon a Termination of Service as provided in Section 2.4(b)(i) of the Agreement, no shares of Common Stock shall be delivered in respect of the PSUs prior to such written certification by the Compensation Committee.

Forfeiture of PSUs

Any unvested PSUs which have are not eligible for vesting based on the Performance Goals (to the extent applicable) shall be automatically forfeited, terminated and cancelled effective as of the applicable Certification Date without the payment of any consideration by the Company, and Holder, or

Holder’s beneficiary or personal representative, as the case may be, shall have no further rights with respect to such PSUs under the Agreement.

Exhibit 10.10

ResMed Inc.

Summary for Restricted Stock Unit Award Agreement (Designated Executives)

1. Holder. [PARTICIPANT NAME]

2. Grant Date. [GRANT DATE]

3. Number of RSUs. [TOTAL NUMBER OF RSUs GRANTED]

4. Vesting Schedule. Subject to the terms of the Agreement, including the terms requiring the satisfaction of a specified Performance Condition, the RSUs shall vest and become nonforfeitable in three equal installments on each of the first three anniversaries of the Grant Date, provided, however, that if the RSUs are granted as part of the Company's annual grant, as determined by the Company in its sole discretion, the first installment shall vest on the first November 11 following the Grant Date with the remaining two installments vesting on the following two anniversaries of the first vesting date.

RESMED INC.

EXECUTIVE RESTRICTED STOCK UNIT AWARD AGREEMENT

This Executive Restricted Stock Unit Award Agreement, including any country-specific terms and conditions set forth in Appendix I hereto and the performance conditions set forth in Appendix II hereto (collectively, the "***Agreement***"), sets forth the terms and conditions of the restricted stock units ("***Restricted Stock Units***" or "***RSUs***") granted by ResMed Inc., a Delaware corporation (the " ***Company***"), under the ResMed Inc. 2009 Incentive Award Plan, as amended from time to time (the "***Plan***"), and pursuant to the Summary of Restricted Stock Unit Award Grant (the " ***Summary***") displayed at the Web site of the Company's plan administrator. The Summary specifies the person to whom the RSUs are granted ("***Holder***"), the grant date of the RSUs (the "***Grant Date***"), the vesting schedule of the RSUs (the "***Vesting Schedule*** "), the aggregate number of RSUs granted to Holder, and other specific details of the grant. The Summary also indicates whether Holder has accepted the grant of RSUs. The Summary is deemed part of this Agreement.

ARTICLE 1.

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Summary.

As used herein, the term "***Disability***" shall mean a "disability" as defined in Treasury Regulation Section 1.409A-3(i)(4).

As used herein, the term "***Restricted Stock Unit***" and "***RSU***" shall mean a non-voting unit of measurement which represents the right to receive one share of Common Stock for each unit that vests (subject to adjustment as provided in Section 11.3 of the Plan) solely for purposes of the Plan and this Agreement. The RSUs shall be used solely as a device for the determination of the issuance of shares of Common Stock to eventually be made to Holder if and to the extent such RSUs vest pursuant to Section 2.2 hereof. The RSUs shall not be treated as property or as a trust fund of any kind.

As used herein, the term "***Retirement***" shall mean a Termination of Service after (a) sixty (60) years of age and (b) completion of five (5) years of continuous service with the Company or any Subsidiary.

1.2 Incorporation of Terms of Plan, Summary and Appendices I and II . The RSUs are subject to the terms and conditions of the Plan, the Summary, Appendix I hereto (which sets forth special and/or additional legal requirements, terms and conditions as may be required by Holder's country), and Appendix II hereto (which sets forth certain performance conditions applicable to the RSUs), each of which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent applicable, in the event of any inconsistency between this Executive Restricted Stock Unit Award Agreement and Appendices I and II, the terms of Appendices I and II shall control.

ARTICLE 2.

GRANT OF RESTRICTED STOCK UNITS

2.1 Grant of RSUs. Effective as of the Grant Date, the Company grants to Holder an award of RSUs as set forth in the Summary, upon the terms and conditions set forth in the Summary, the Plan and this Agreement.

2.2 RSUs subject to a Performance Condition; Vesting Schedule .

(a) Appendix II attached hereto sets forth a Performance Condition that must be satisfied in order for the RSUs to vest. The Performance Condition is based on the Company's financial performance compared to certain pre-established criteria over certain specified periods, as set forth on Appendix II. The Compensation Committee shall certify in writing the extent to which the Performance Condition has been satisfied, with such certification occurring no later than the first November 11 following the Grant Date (the "***Certification Date***"). Except as set forth in Sections 2.2(c) and 2.2(d) hereof, any unvested RSUs for which the Performance Condition has not been satisfied shall be automatically forfeited, terminated and cancelled effective as of such Certification Date, without the payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights with respect to such RSUs under the Agreement.

(b) Subject to Sections 2.2(c), 2.2(d), 2.2(e) and 2.4 hereof, the RSUs awarded pursuant to the Summary and which have met the Performance Condition set forth in Appendix II will vest and become nonforfeitable with respect to the applicable portion thereof according to the Vesting Schedule set forth in the Summary, subject to Holder's continued employment or services through the applicable vesting dates. Unless otherwise determined by the Administrator and as otherwise provided in Section 2.2(e) hereof, partial employment or service, even if substantial, during any vesting period will not entitle Holder to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Service as provided in Section 2.2 hereof or under the Plan.

(c) Notwithstanding Sections 2.2(a) and 2.2(b) hereof, Appendix II and the Summary, the RSUs, to the extent then outstanding and not previously forfeited, shall become fully vested and nonforfeitable in the event of a Change in Control as of the date of such Change in Control, or if later, as of the date of Holder's Separation from Service (as defined in the Executive Agreement), if either of the following occurs:

(i) Holder provides Notice of Good Reason (as defined in the then-current "Executive Agreement" between the Company and Holder (the "***Executive Agreement***")) at any time during the six-month period prior to the date of a Change in Control, or during the twelve (12) month period commencing on the date of a Change in Control, and Holder has a Separation from Service by reason of Holder's voluntary termination of employment for Good Reason (as defined in the Executive Agreement), or

(ii) Holder has a Separation from Service reason by reason of the Company's termination of Holder's employment other than for Cause (as defined in the Executive Agreement) during the six-month period prior to the date of the Change in Control (and such termination is at the request of the successor entity of such Change in Control, or is otherwise made in anticipation of the Change in Control), or during the twelve (12) month period commencing on the date of the Change in Control.

(d) Notwithstanding Sections 2.2(a) and 2.2(b) hereof, Appendix II and the Summary, if Holder dies or has a Termination of Service due to Disability while employed by, or serving as a Director or Consultant of, the Company or a Subsidiary, as applicable, the unvested RSUs shall become fully vested and nonforfeitable as of the date of such Holder's death or Termination of Service due to Disability, as applicable.

(e) Notwithstanding Section 2.2(b) hereof and the Summary, if Holder has a Termination of Service due to Retirement, then to the extent that the Performance Condition is met, a pro-rata portion of the unvested RSUs shall become vested and nonforfeitable as of the later of the date of such Holder's Termination of Service due to Retirement and the first scheduled vesting date that occurs on or after the Certification Date (and such applicable date shall be considered a vesting date for purposes of this Agreement). The number of the RSUs that will vest pursuant to this Section 2.2(e) will be determined by (i) dividing the number of days Holder was continuously

employed or rendering services during the vesting period prior to the termination date by the total number of days of the vesting period (as measured from the Grant Date to the final vesting date of the RSUs), and multiplying the result of such division by the aggregate number of RSUs determined to be eligible for vesting as of the Certification Date and (ii) subtracting from the result in 2.2(e)(i) any RSUs that previously vested pursuant to the Vesting Schedule. Such pro-rata portion of the RSUs will be rounded down to the nearest whole share.

Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in Holder's jurisdiction that likely would result in the favorable Retirement treatment that otherwise would apply to the RSUs pursuant to this Section 2.2(e) being deemed unlawful and/or discriminatory, then the Company will not apply this favorable Retirement treatment at the time of Holder's Termination of Service and the RSUs will be treated as they would under the rules that otherwise would have applied if Holder's Termination of Service did not qualify as a Retirement.

2.3 No Right to Employment. Nothing in the Plan or this Agreement, nor Holder's participation in the Plan, shall confer upon Holder any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge or terminate the services of Holder at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Holder. In the event that Holder is not an Employee, Director or Consultant of the Company, the grant will not be interpreted to form an employment or service contract with the Company.

2.4 Forfeiture, Termination and Cancellation upon Termination of Service . Notwithstanding any contrary provision of this Agreement, upon Holder's Termination of Service for any or no reason (other than Holder's death or Termination of Service due to Disability, Retirement or in connection with a Change in Control as provided in Section 2.2(c)), all then unvested RSUs subject to this Agreement (including, without limitation, RSUs that have been earned in accordance with Appendix II) will thereupon be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights hereunder. For purposes of this Agreement, the employment relationship of Holder will be treated as continuing intact while he or she is on military or sick leave or other bona fide leave of absence if such leave does not exceed ninety days, provided, however, that the period of the leave may exceed ninety days so long as Holder's right to re-employment is guaranteed either by statute or by contract, or in any other circumstance as may be required by law.

For purposes of this Agreement, Holder's Termination of Service is deemed to occur as of the date Holder is no longer actively providing services to the Company or a Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of applicable laws in the jurisdiction where Holder is employed or rendering services or the terms of Holder's employment or service agreement, if any) and, unless otherwise provided in Sections 2.2(c), (d) and (e) hereof, Holder's right to vest in the RSUs, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Holder's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under applicable laws in the jurisdiction where Holder is employed or providing services or the terms of Holder's employment or service contract, if any). The Administrator shall have the exclusive discretion to determine when Holder's Termination of Service for purposes of the RSUs has occurred (including whether Holder may still be considered to be providing services while on a leave of absence).

2.5 Issuance of Shares upon Vesting.

Subject to Appendix II, as soon as administratively practicable following the vesting of any RSUs pursuant to Section 2.2 hereof, but in no event later than sixty (60) days after such vesting date, the Company shall deliver to Holder (or any transferee permitted under Section

3.2 hereof) a number of shares of Common Stock equal to the number of such RSUs that vested on the applicable vesting date, less to the extent applicable, the number of shares of Common Stock withheld in accordance with Section 2.6(b). The shares of Common Stock delivered hereby shall be represented either by one or more stock certificates or by book entry, as determined by the Company in its sole discretion. Notwithstanding the foregoing:

(a) in the event shares of Common Stock cannot be issued in the time frame specified above due to the effects of Sections 2.7(a), (b) or (c) hereof, then the shares of Common Stock shall be issued as soon as administratively practicable after the Administrator determines that shares of Common Stock can again be issued in accordance with Sections 2.7(a), (b) and (c) hereof, subject to compliance with Section 409A (as defined in Section 3.13 below); and

(b) if the RSUs constitute "nonqualified deferred compensation" subject to Section 409A and Holder is subject to U.S. federal taxation, then: (i) any RSUs that vest on a scheduled vesting date will be settled by the end of the calendar year of vesting; (ii) to the extent that the RSUs vest upon a Change in Control under Section 2.2(c) and such event is not a "change in control event" within the meaning of Section 409A, any settlement of RSUs due upon such Change in Control shall instead be made on the originally scheduled vesting dates for such RSUs (as specified in the Vesting Schedule) that occur subsequent to the date of the Change in Control; and (iii) to the extent that the RSUs vest upon Holder's Termination of Service, the RSUs shall be paid on the date on which Holder experiences a "separation from service" within the meaning of Section 409A, provided, however, if Holder is a "specified employee" within the meaning of Section 409A as of the date of Holder's separation from service, Holder's vested RSUs shall instead be settled during the thirty (30) day period commencing on the earlier of (A) the expiration of the six (6) month period measured from the date of Holder's separation from service or (B) the date of Holder's death, to the extent that such delayed payment is required to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, or any successor provision thereto.

2.6 Responsibility for Taxes.

(a) Regardless of any action the Company or, if different, the Subsidiary employing Holder or for which Holder otherwise provides services (the "***Employer***") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to Holder's participation in the Plan and legally applicable or deemed legally applicable to Holder ("***Tax-Related Items***"), Holder acknowledges that the ultimate liability for all Tax-Related Items is and remains Holder's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Holder further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to the grant of the RSUs, the vesting or settlement of the RSUs, the issuance of shares of Common Stock in settlement of the RSUs, the subsequent sale of the shares of Common Stock acquired at vesting and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate Holder's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if Holder is subject to tax in more than one jurisdiction, Holder acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) In connection with any relevant taxable or tax withholding event, as applicable, Holder must pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Holder hereby authorizes the Company and/or the Employer, or their respective agents, in their sole discretion and without any notice to or additional authorization by Holder, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Holder's compensation or other wages payable to Holder by the Company, the Employer and/or any other Subsidiary;

(ii) causing Holder to tender a cash payment (*i.e*., check or bank wire);

(iii) withholding from the proceeds of the sale of shares of Common Stock issued upon vesting, either through a voluntary sale or through a mandatory sale arranged by the Company (on Holder's behalf pursuant to this authorization);

(iv) withholding shares of Common Stock otherwise to be issued upon vesting; or

(v) any other method determined by the Company, to the extent permitted under the Plan and applicable laws.

provided, however that if Holder is a Section 16 officer of the Company under the Exchange Act, then the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (i)-(iii) or (v) above. Further, notwithstanding anything herein to the contrary, the Company may cause a portion of the RSUs to vest prior to the dates set forth in the Vesting Schedule in order to satisfy any Tax-Related Items that arise prior to the date of settlement of the RSUs; provided that to the extent necessary to avoid a prohibited distribution under Section 409A, the number of RSUs so accelerated and settled shall be with respect to a number of shares of Common Stock with a value that does not exceed the liability for the Tax-Related Items.

(c) The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in Holder's jurisdiction(s) (to the extent permitted by the Plan). In the event of over-withholding, Holder may receive a refund of any over-withheld amount in cash (with no entitlement to the Common Stock equivalent), or, if not refunded, Holder may be able to seek a refund from the applicable tax authorities. In the event of under-withholding, Holder may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding shares of Common Stock, for tax purposes, Holder will be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) Holder agrees to pay to the Company and/or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Holder's participation in the Plan that cannot be satisfied by the means previously described.

(e) The Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Holder or Holder's legal representative or enter such shares of Common Stock in book entry form unless and until Holder or Holder's legal representative shall have paid or otherwise satisfied Holder's obligations in connection with the Tax-Related Items resulting from the RSUs or the shares of Common Stock subject to the RSUs.

2.7 Conditions to Delivery of Common Stock; Legal Requirements. The shares of Common Stock deliverable hereunder, or any portion thereof, may be either previously authorized but unissued shares of Common Stock or issued shares of Common Stock which have then been reacquired by the Company. Such shares of Common Stock shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any shares of Common Stock deliverable hereunder or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares of Common Stock to listing on all stock exchanges on which such Common Stock is then listed;

(b) The completion and maintenance of any registration or other qualification of such shares of Common Stock under any U.S. and non-U.S. state or federal law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any U.S. or non-U.S. state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the vesting of any RSUs as the Administrator may from time to time establish for reasons of administrative convenience.

2.8 Rights as Stockholder. Holder shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the RSUs and any shares of Common Stock underlying the RSUs and deliverable hereunder unless and until such shares of Common Stock shall have been issued by the Company and held of record by such Holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the shares of Common Stock are issued, except as provided in Section 11.3 of the Plan. No Dividend Equivalent awards shall be awarded in respect of any unvested RSUs.

ARTICLE 3.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Holder, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the RSUs.

3.2 Grant is Not Transferable.

(a) Except as set forth in Section 3.2(b), during the lifetime of Holder, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the vested RSUs have been issued. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of Holder or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) Notwithstanding the foregoing provisions of subsection 3.2(a), for Holders who are exclusively subject to the laws of the United States, the Administrator, in its sole discretion, may permit the transfer of RSUs held by Holder (i) pursuant to a DRO, or (ii) by gift or contribution to a Permitted Transferee. Any RSU that has been so transferred shall continue to be subject to all of the terms and conditions as applicable to the original Holder, and the transferee shall execute any and all such documents requested by the Administrator in connection with the transfer, including, without limitation, to evidence the transfer and to satisfy any requirements for an exemption for the transfer under applicable federal and state securities laws.

3.3 Binding Agreement. Subject to the limitation on the transferability of the RSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.4 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the RSUs and the issuance of shares of Common Stock with respect to vested RSUs in such circumstances as it, in its sole discretion, may determine; provided, however, that if the RSUs constitute "nonqualified deferred compensation" subject to Section 409A and Holder is subject to U.S. federal taxation, no acceleration of the issuance of the shares of Common Stock may occur other than as expressly permitted under Section 409A. In addition, upon the occurrence of certain events relating to the Common Stock contemplated by Section 11.3 of the Plan, the Administrator shall make any appropriate adjustments in the number of RSUs then outstanding and the number and kind of securities that may be issued in respect of the RSUs. Holder acknowledges that the RSUs are subject to amendment, modification and termination in certain events as provided in this Agreement and Section 11.3 of the Plan.

3.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed to be properly given when personally delivered to the party entitled to receive the notice (which may include electronic delivery by email) or when sent by certified or registered mail, postage prepaid, properly addressed to the party entitled to receive such notice at the address stated below:

If to Company:	ResMed Inc. 9001 Spectrum Center Blvd. San Diego, CA 92123 USA Attn: David Pendarvis, Corporate Secretary
If to Holder:	Address of the Holder on file with ResMed Inc. or its Subsidiary

3.6 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.7 Governing Law / Venue. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award of RSUs or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California and no other courts, where this grant is made and/or to be performed.

3.8 Conformity to Laws. Holder acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the U.S. Securities and Exchange Commission thereunder, and other U.S. or non-U.S. state and federal securities laws and regulations, as well as any other applicable U.S. or non-U.S. state and federal laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.9 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board; *provided* that, except as may otherwise be provided by the Plan and subject to Section 3.8, Section 3.11, Section 3.13 and Section

3.21 hereof, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Holder.

3.10 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon Holder and his or her heirs, executors, administrators, successors and assigns.

3.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Holder is subject to Section 16 of the Exchange Act, the Plan, the RSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.12 Entire Agreement. The Plan, the Summary and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof.

3.13 Section 409A. The parties intend that this Agreement and the benefits provided hereunder be exempt from the requirements of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "***Section 409A***") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise. However, to the extent that the RSUs (or any portion thereof) may be subject to Section 409A, the parties intend that this Agreement and such benefits comply with the deferral, payout, and other limitations and restrictions imposed under Section 409A and this Agreement shall be interpreted, operated and administered in a manner consistent with such intent. Notwithstanding any other provision of the Plan, the Summary or this Agreement, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Holder or any other person for failure to do so) to adopt such amendments to the Plan, the Summary or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the RSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in this Agreement, the Plan or the Summary shall provide a basis for any person to take action against the Company or any Subsidiary based on matters covered by Section 409A of the Code, including the tax treatment of any amount paid or RSUs granted under this Agreement, and neither the Company nor any of its Subsidiaries shall under any circumstances have any liability to Holder or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

3.14 Limitation on Holder's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Unless and until the RSUs will have vested in the manner set forth in Article 2 hereof, Holder will have no right to the issuance of shares of Common Stock with respect to the RSUs. Holder shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

3.15 Language. Holder acknowledges that he or she is proficient in the English language and understands the provisions in this Agreement and the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. Further in the event

Holder has received this Agreement, including Appendix I hereto (if any), or any other document related to the Plan translated into a language other than English, the English version will control to the extent the meaning of the translated version differs from the English version.

3.16 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide (a) to deliver by electronic means any documents related to the RSUs granted under the Plan, Holder's participation in the Plan, or future awards that may be granted under the Plan or (b) to request by electronic means Holder's consent to participate in the Plan. Holder hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

3.17 Nature of Grant. By accepting the RSUs, Holder acknowledges, understands and agrees that:

(a) the grant of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(b) all decisions with respect to future awards of RSUs or other grants, if any, will be at the sole discretion of the Company;

(c) Holder is voluntarily participating in the Plan;

(d) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;

(e) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose, including (without limitation) calculating any severance, resignation, redundancy or end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

(g) no claim or entitlement to compensation or damages shall arise from termination of the RSUs resulting from a Termination of Service (for any reason whatsoever, whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Holder is employed or rendering services or the terms of Holder's employment or service agreement, if any);

(h) unless otherwise agreed with the Company, the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service Holder may provide as a director of a Subsidiary;

(i) the Company is not providing any tax, legal or financial advice with respect to the RSUs, nor is the Company making any recommendations regarding Holder's participation in the Plan, or Holder's acquisition or sale of the underlying shares of Common Stock;

(j) Holder should consult with his or her own personal tax, legal and financial advisors regarding Holder's participation in the Plan before taking any action related to the Plan and the RSUs; and

(k) the following provisions apply only if Holder is providing services outside the United States:

(1) the RSUs and the shares of Common Stock subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose; and

(2) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between Holder's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Holder pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

3.18 Data Privacy Consent.

(a) Declaration of Consent. Holder is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data (as defined below) by the Company and the transfer of Data to the recipients mentioned below, including recipients located in countries which may not have a similar level of protection from the perspective of the data protection laws in Holder's country.

(b) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about Holder, including, but not limited to, Holder's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all RSUs under the Plan or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in Holder's favor ("Data"), for the purposes of managing Holder's participation in the Plan. The legal basis, where required, for the processing of Data is Holder's consent.

(c) Stock Plan Administration Service Providers. The Company transfers Data, or parts thereof, to Fidelity Stock Plan Services, LLC and certain of its affiliated companies ("Fidelity"), which assists the Company with the implementation, administration and management of the Plan. Holder acknowledges and understands that Fidelity will open an account for Holder to receive and trade shares of Common Stock acquired under the Plan and that Holder will be asked to agree on separate terms and data processing practices with Fidelity, which is a condition of Holder's ability to participate in the Plan. In the future, the Company may select a different service provider and may share Data with such different service provider that serves in a similar manner.

(d) International Data Transfers. The Company and Fidelity are based in the United States. Holder understands that his or her country may have enacted data privacy laws that are different from the laws of the United States. As a result, in the absence of appropriate safeguards such as standard data protection clauses, the processing of Holder's Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Holder might not have enforceable rights regarding the processing of his or her Data in such countries.

The Company provides appropriate safeguards for protecting Data that it receives in the United States through its adherence to data transfer agreements entered into between the Company and Subsidiaries within the European Union. Otherwise, where required, the Company's legal basis for the transfer of Data is Holder's consent.

(e) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage Holder's participation in the Plan, or as required to comply with applicable law, exercise or defense of legal rights, and archiving, back-up

and deletion processes. This means Data may be retained even after Holder's Termination of Service.

(f) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and Holder is providing the consents herein on a purely voluntary basis. Holder understands that he or she may withdraw consent at any time with future effect for any or no reason. If Holder does not consent, or if Holder later seeks to revoke his or her consent, Holder's employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to offer RSUs or other awards to Holder or administer or maintain Holder's participation in the Plan.

(g) Data Subject Rights. Holder understands that data subject rights vary depending on applicable law and that, depending on where Holder is based and subject to the conditions under applicable law, Holder may have, without limitation, the rights to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing of Data, (v) portability of Data, (vi) lodge complaints with competent authorities in Holder's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Holder understands that he or she can contact Holder's local human resources representative.

3.19 Participants Outside of the United States. Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any additional terms and conditions set forth in Appendix I hereto for Holder's country. Moreover, if Holder relocates to one of the countries included in Appendix I (if any), the terms and conditions for such country will apply to Holder, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The terms included in Appendix I constitute part of this Agreement.

3.20 Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

3.21 Imposition of Other Requirements. The Company reserves the right to impose other requirements on Holder's participation in the Plan, on the RSUs or any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable or legal or administrative reasons, and to require Holder to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

3.22 Waiver. Holder acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Holder or any other Holder.

3.23 Insider Trading/Market Abuse Laws. Holder acknowledges that, depending on Holder's country, the broker's country, or the country in which shares of Common Stock are listed, Holder may be subject to insider trading restrictions and/or market abuse laws, which may affect Holder's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., RSUs) or rights linked to the value of shares of Common Stock during such times as Holder is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the relevant jurisdiction). Further, Holder understands that local insider trading laws and regulations prohibit the cancellation or amendment of orders Holder may have placed before processing insider information. Holder also understands that he or she may be prohibited from (i) disclosing inside information to any third party, including fellow employees (other than on a "need to know" basis), and (ii) "tipping" third parties by sharing inside information with them, or otherwise causing third parties to buy or sell Company securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Holder is responsible for

complying with any applicable restrictions, and Holder should consult with his or her personal legal and financial advisors on this matter before taking any action related to the Plan.

3.24 Foreign Assets/Account and Tax Reporting, Exchange Controls . Holder's country may have certain foreign asset, account and/or tax reporting requirements and exchange controls which may affect Holder's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of shares of Common Stock) in a brokerage or bank account outside Holder's country. Holder understands that he or she may be required to report such accounts, assets or transactions to the tax or other authorities in Holder's country. Holder also may be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. In addition, Holder may be subject to tax payment and/or reporting obligations in connection with any income realized under the Plan and/or from the sale of shares of Common Stock. Holder acknowledges that he or she is responsible for complying with all such requirements, and that Holder should consult personal legal and tax advisors, as applicable, to ensure compliance.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereunto agree to the terms and conditions set forth in this Agreement and the Summary.

RESMED INC.

/s/ Michael J. Farrell
Michael J. Farrell
Chief Executive Officer

HOLDER

(Acceptance designated electronically at the plan administrator's Web site)

APPENDIX I

Certain capitalized terms used but not defined in this Appendix I have the meanings set forth in the Plan, the Agreement and/or the Summary.

Terms and Conditions

This Appendix I includes special and/or additional terms and conditions that govern the RSUs granted to Holder under the Plan if Holder resides and/or works in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. If Holder is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of RSUs, or is considered resident of another country for local law purposes, the Administrator shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to Holder.

Notifications

This Appendix I also includes information regarding tax, securities law, exchange controls and certain other issues of which Holder should be aware with respect to Holder's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Holder not rely on the information in this Appendix I as the only source of information relating to the consequences of Holder's participation in the Plan because the information may be out of date at the time that the RSUs vest or shares of Common Stock acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to Holder's particular situation and the Company is not in a position to assure Holder of any particular result. Accordingly, Holder should seek appropriate professional advice as to how the relevant laws in his or her country may apply to Holder's situation.

Finally, if Holder is a citizen or resident of a country other than the one in which he or she is currently residing and/or working, transfers residency and/or employment to another country after the grant of RSUs, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Holder in the same manner.

Australia

Terms and Conditions

Australian Offer Document. The offering of the Plan in Australia is intended to qualify for exemption from the prospectus requirements under Class Order 14/1000 issued by the Australian Securities and Investments Commission. Holder's participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document, the Plan and the Agreement.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD 10,000 and for international fund transfers, including for the remittance of proceeds related to the sale of shares of Common Stock acquired under the Plan and/or dividends paid on such shares. If an Australian bank is assisting with the transaction, then the bank will file the required exchange control report on Holder's behalf. If no Australian bank is assisting with the transaction, then Holder will have to file the required exchange control report.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

Germany

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 in connection with the sale of securities (including shares of Common Stock acquired under the Plan and/or dividends) must be reported on a monthly basis to the German Federal Bank (Bundesbank). If Holder receives a payment in excess of this amount, Holder must report the payment to Bundesbank electronically by the fifth day of the month following the month in which the payment was received. The form of the report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Singapore

Terms and Conditions

Sale of Shares. For any shares of Common Stock that are issued within six months of the Grant Date, Holder agrees that he or she will not dispose of the shares of Common Stock acquired prior to the six-month anniversary of the Grant Date, unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"), or any other applicable provisions of the SFA.

Notifications

Securities Law Information. The offer of the Plan is being made pursuant to the " Qualifying Person" exemption under section 273(1)(f) of SFA and not with a view to the RSUs or shares of Common Stock being subsequently offered for sale to another party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. The directors, associate directors and shadow directors of a Singapore Subsidiary are subject to certain notification requirements under the Singapore Companies Act. The directors, associate directors and shadow directors must notify the Singapore Subsidiary in writing of an interest (e.g., RSUs, shares of Common Stock, etc.) in the Company or any related company within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously disclosed interest (e.g. when shares of Common Stock are sold), or (iii) becoming a director, associate director or shadow director.

APPENDIX II

This Appendix II sets forth the performance goals (the "*Performance Goals*") for the RSUs and shall determine the extent to which the Performance Goals are achieved and the extent to which the RSUs will vest. The RSUs shall be subject to the Performance Condition and shall be eligible for vesting to the extent the Performance Condition is satisfied, and shall be forfeited to the extent the Performance Condition is not satisfied, as determined below.

Performance Goals

The Performance Goals shall be based on: (i) the Company's net profit after tax as a percentage of revenue (proforma) for the third fiscal quarter ("3rd Quarter") of the Company's fiscal year in which the Grant Date occurs, (ii) the Company's net profit after tax as a percentage of revenue (proforma) for the Company's fourth fiscal quarter (4th Quarter") of the Company's fiscal year in which the Grant Date occurs, and (iii) the cumulative net profit after tax as a percentage of cumulative revenue (proforma) for the 3rd Quarter and the 4th Quarter.

3rd Quarter Performance Goal. The 3rd Quarter Performance Goal is net profit after tax for the 3rd Quarter, as a percentage of revenue for the 3rd Quarter, of 50% or more.

4th Quarter Performance Goal. The 4th Quarter Performance Goal is net profit after tax for the 4th Quarter, as a percentage of revenue for the 4th Quarter, of 50% or more.

Cumulative Performance Goal. The Cumulative Performance Goal is cumulative net profit after tax for the 3rd Quarter and the 4th Quarter, as a percentage of the cumulative revenue (proforma) for the 3rd Quarter and the 4th Quarter, of 50% or more.

Performance Condition

The performance condition (the "***Performance Condition***") shall be satisfied with respect to all or a portion of the RSUs, as determined below.

3rd Quarter Performance Goal. If the 3rd Quarter Performance Goal is achieved, the Performance Condition shall be satisfied with respect to 50% of the RSUs.

4th Quarter Performance Goal. If the 4th Quarter Performance Goal is achieved, the Performance Condition shall be satisfied with respect to 50% of the RSUs (which shall be in addition to any RSUs for which the Performance Condition has been satisfied upon the achievement of the 3rd Quarter Performance Goal).

Cumulative Performance Goal. If the Cumulative Performance Goal is achieved, the Performance Condition shall be satisfied with respect to 100% of the RSUs.

In no event shall the Performance Condition be treated as satisfied for more than 100% of the RSUs.

Compensation Certification

The Compensation Committee shall certify in writing whether the Performance Goals have been achieved, and the RSUs for which the Performance Condition has been satisfied, not later than the first November 11 following the Grant Date. Except in the event of the vesting of the RSUs upon or in connection with a Change in Control as provided in Section 2.2(c) of the Agreement or Holder's death or Termination of Service due to Disability as provided in Section 2.2(d) of the Agreement, no

shares of Common Stock shall be delivered in respect of the RSUs prior to such written certification by the Compensation Committee.

Forfeiture of RSUs

Except as set forth in Sections 2.2(c) and 2.2(d) of the Agreement, any unvested RSUs for which the Performance Condition has not been satisfied shall be automatically forfeited, terminated and cancelled effective as of the Certification Date without the payment of any consideration by the Company, and Holder, or Holder's beneficiary or personal representative, as the case may be, shall have no further rights with respect to such RSUs under the Agreement.

EXHIBIT 21.1

RESMED INC.
SUBSIDIARIES OF THE REGISTRANT AS OF JUNE 30, 2022

The following is a list of subsidiaries of ResMed Inc. as of June 30, 2022, omitting subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary as defined by Rule 1-02(w) of Regulation S-X.

Company	Jurisdiction of Formation
ResMed Corp.	Minnesota
ResMed (UK) Ltd	United Kingdom
ResMed Asia Pacific Ltd	Australia
ResMed Beteiligungs GmbH	Germany
ResMed Holdings Pty Ltd	Australia
ResMed Pty Ltd	Australia
ResMed GmbH and Co KG	Germany
ResMed Motor Technologies Inc.	Delaware
ResMed SAS	France
ResMed Paris SAS	France
ResMed European Operations B.V	Netherlands
ResMed Sensor Technologies Ltd	Ireland
ResMed Humidification Technologies GmbH	Germany
ResMed Capital Holdings Pty Ltd	Australia
Brightree LLC	Delaware
Brightree Home Health & Hospice LLC	Delaware
Brightree Patient Collections LLC	Delaware
Curative Medical Technology (Beijing) Ltd	China
ResMed Operations Inc.	Delaware
ResMed Global Holdings Ltd	United Kingdom
ResMed Asia Pte Ltd	Singapore
Healthcare*first*, Inc.	Texas
MatrixCare, Inc	Delaware
Reciprocal Labs Corp. (dba Propeller Health)	Delaware
ResMed Digital Health Inc.	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
ResMed Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-08013, 333-88231, 333-115048, 333-140350, 333-140351, 333-156065, 333-164527, 333-167183, 333-181317, 333-186386, 333-194225, 333-224537, 333-245697, 333-256388) on Form S-8 of our reports dated August 11, 2022, with respect to the consolidated financial statements and financial statement schedule II of ResMed, Inc., and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Diego, California
August 11, 2022

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Farrell, certify that:

(1) I have reviewed this annual report on Form 10-K of ResMed Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 11, 2022

/s/ **MICHAEL J. FARRELL**
Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brett A. Sandercock, certify that:

(1) I have reviewed this annual report on Form 10-K of ResMed Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 11, 2022

/s/ **BRETT A. SANDERCOCK**
Brett A. Sandercock
Chief financial officer
(Principal Financial Officer)

EXHIBIT 32.1

The following certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. These certifications shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be incorporated by reference in any filing made by ResMed Inc. under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ResMed Inc., a Delaware corporation (the "Company"), hereby certifies, to his knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the year ended June 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 11, 2022

/s/ **MICHAEL J. FARRELL**
Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to ResMed Inc. and will be retained by ResMed Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ResMed Inc., a Delaware, corporation (the "Company"), hereby certifies, to his knowledge, that:

(iii) the accompanying Annual Report on Form 10-K of the Company for the year ended June 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(iv) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 11, 2022

/s/ **BRETT A. SANDERCOCK**
Brett A. Sandercock
Chief financial officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to ResMed Inc. and will be retained by ResMed Inc. and furnished to the Securities and Exchange Commission or its staff upon request.