



**HEARTWARE INTERNATIONAL, INC.**

**CHARTER OF THE BUSINESS STRATEGY COMMITTEE  
OF THE BOARD OF DIRECTORS**

**I. PURPOSE**

This Charter specifies the scope of the responsibilities of the Business Strategy Committee (the “Committee”) of the Board of Directors (the “Board”) of HeartWare International, Inc. (the “Company”) and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary responsibilities of the Committee are to assist the Board by: (i) making recommendations regarding the Company’s business strategies, (ii) reviewing potential material mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of the Company’s business (“Corporate Strategic Transactions”), and (iii) identifying and analyzing critical strategic issues facing the Company.

**II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS**

The Committee shall be comprised of three or more directors appointed annually. The initial Committee will be comprised of five members, and will include the current Chairperson of the Board, the current Chief Executive Officer of the Company, and the Agreed Nominee (as defined in the Cooperation Agreement dated as of January 27, 2016, among the Company, Engaged Capital LLC and certain of its affiliates). Except for the Chief Executive Officer of the Company, all of the members of the Committee will be “independent” under the rules of The Nasdaq Stock Market and the rules and regulations of the Securities and Exchange Commission (“SEC”).

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Committee may be removed or replaced by the Board on the recommendation of the Nominating and Governance Committee. Unless a chairperson is elected by the full Board, the chairperson of the Committee will be the Chairperson of the Board. The Chairperson shall preside at all regular sessions of the Committee and set the agenda for each Committee meeting.

**III. MEETINGS**

The Committee shall meet as often as it deems necessary to fulfill its responsibilities hereunder, but not less frequently than two times per year. Meetings may be called by the Chairperson of the Board or of the Committee. A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority

of the members present shall represent the valid action of the Committee. The Committee may also take any action permitted in this Charter without a meeting by unanimous written consent. The Committee shall maintain written minutes of its meetings along with any written consents taken without a meeting, which will be filed with the minutes of the Committee.

#### **IV. RESPONSIBILITIES**

To fulfill its responsibilities and duties hereunder, the Committee shall:

1. Review and evaluate the Company's business strategies and growth opportunities and make recommendations to the Board with respect thereto.
2. Support the Board or management, on an as-requested basis, in the development and/or refinement of specific aspects of the Company's strategic plan.
3. Assist management and the Board with the review of proposals made by management for Corporate Strategic Transactions, when and as appropriate.
4. Periodically review with management potential Corporate Strategic Transactions being considered by management or the Board.
5. Provide periodic reports to the Board of Corporate Strategic Transactions being considered.
6. Perform any other activities or responsibilities as may be delegated to the Committee, from time to time, by the Board.

#### **V. AUTHORITY**

The Committee may, from time to time, delegate duties or responsibilities to subcommittees or to one or more members of the Committee. With respect to Corporate Strategic Transactions, the chairperson of the Committee and the management of the Company shall have the exclusive authority to communicate or otherwise interact with third parties external to the Company.