

KATHMANDU HOLDINGS LIMITED

Notice of Annual Meeting 2018

Link Market Services, Level 11, Deloitte Centre,
80 Queen Street, Auckland on
Friday 23, November 2018 at 11am (NZST).



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Kathmandu Holdings Limited (ARBN 139 836 918)

Notice of Annual Meeting

NOTICE IS GIVEN that the ninth Annual Meeting of Kathmandu Holdings Limited ("the Company") will be held at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland on 23, November 2018 at 11am (NZST).

Ordinary Business

Item 1: Financial Statements

To receive and consider the Financial Report of the Company for the year ended 31 July 2018 together with the Directors' and Auditor's reports.

Item 2: Election of Directors

Resolution 1. Mr. David Kirk

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. David Kirk who retires by rotation in accordance with Article 4.4 of the Company's Constitution and NZX Main Board Listing Rule 3.3.11 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 2. Ms. Sandra McPhee

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms. Sandra McPhee, who retires by rotation in accordance with Article 4.4 of the Company's Constitution and NZX Main Board Listing Rule 3.3.11 and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."

In the Board's opinion Mr. David Kirk and Ms. Sandra McPhee, would, if appointed as at the date of this Notice of Meeting, each be an Independent Director of the Company as defined in the NZX Main Board Listing Rules.

Item 3: Auditors' Remuneration

Resolution 3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To record that PricewaterhouseCoopers continue in office as the Company's auditors and to authorise the Directors to fix the remuneration of PricewaterhouseCoopers for the ensuing year."

Item 4: Grant of performance rights to Xavier Simonet under the Kathmandu Holdings Limited Long Term Incentive Plan

Resolution 4. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Xavier Simonet, Managing Director and Chief Executive Officer, of a number of performance rights up to a value of A\$579,411, calculated in accordance with the formula and terms described in the Explanatory Statement which forms part of this Notice of Meeting."

Voting exclusion statement – Resolution 4.

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4. by Xavier Simonet or any of his associates (Mr. Simonet being the only director of the Company eligible to participate in the Kathmandu Holdings Limited Long Term Incentive Plan).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the express instructions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with that persons' express instructions.



Item 5: Increase cap on non-executive directors' remuneration pool

Resolution 5. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.17 and NZX Main Board Listing Rule 3.5.1, the maximum aggregate remuneration of non-executive Directors be increased by A\$200,000, from the present limit of A\$800,000 per annum in aggregate to a limit of A\$1,000,000 per annum in aggregate, with effect from 1 August 2018."

Voting exclusion statement – Resolution 5.

In accordance with ASX Listing Rule 14.11.1 and NZX Main Board Listing Rule 9.3.1, the Company will disregard any votes cast on Resolution 5 by all non-executive Directors (being all Directors other than Xavier Simonet) of the Company or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the express instructions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with that persons' express instructions.

Item 6: General business

To consider such other business of the Company as may be properly brought before the meeting in accordance with the Company's Constitution.

Ordinary resolution

An ordinary resolution is a resolution passed by a simple majority (i.e. over 50% of the votes of shareholders of the Company entitled to vote and voting).

Addresses by Chairman and Chief Executive Officer

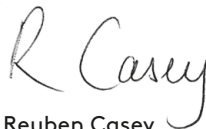
Please note that for shareholders who are unable to attend the meeting, transcripts of the Chairman's and Chief Executive Officer's addresses to the meeting (and any accompanying slide presentations) will be posted on the Company's website at kathmanduholdings.com and released to NZX's and ASX's market announcement platform at the same time or before they are delivered to the meeting.

Approvals

This notice of meeting has been approved by ASX and NZX.

NZX takes no responsibility for any statement made in this notice of meeting.

By Order of the Board



Reuben Casey
Company Secretary
12 October 2018



Explanatory Statement

Introduction

The purpose of this Explanatory Statement is to provide shareholders with further information on the items of business to be considered at the Annual Meeting of Kathmandu Holdings Limited ("the Company") to be held on Friday, 23 November 2018.

Item 1: Receive and consider the Financial and other Reports

It is intended to provide an opportunity for shareholders to raise questions on the reports and on the performance and management of the Company generally.

Item 2: Election of Directors

Article 4.4 of Kathmandu Holdings Limited's constitution and NZX Main Board Listing Rule 3.3.11 require one-third of the directors (or, if their number is not a multiple of three, then the number nearest to one-third) to retire from office at the annual meeting each year (with the retiring directors being those who have been longest in office since they were last elected or deemed elected).

A single Executive Director (the Chief Executive Officer) is exempt from these rotation requirements.

Directors Mr. David Kirk and Ms. Sandra McPhee retire by rotation and offer themselves for re-election.

The Board unanimously supports the re-election of Mr. Kirk and Ms. McPhee.

Information about the candidates for election

a. Resolution 1. - Mr. David Kirk

Mr. Kirk is the Chairman of Trade Me Group Ltd, NZ Rugby Players Association, and Foodshare, the co-founder and Managing Partner of Bailador Investment Management, and sits on the Board of Bailador portfolio companies. He is also a Director of Forsyth Barr Group Ltd, and Chairman of Trustees of Sydney Grammar School.

Mr. Kirk's Executive Management career has seen him as the Chief Executive Officer of Fairfax Media, as well as the Chief Executive Officer and Managing Director PMP Limited, the Regional President (Australasia) for Norske Skog, and he has also worked for Fletcher Challenge Paper and Fletcher Challenge Energy in Senior Executive roles in New Zealand and Australia. He was Chief Policy Advisor to the Prime Minister of New Zealand from 1992 to 1994 and was a management consultant with McKinsey & Company in London.

David is a Rhodes Scholar with degrees in Medicine from Otago University and Philosophy, Politics and Economics from Oxford University.

Mr. Kirk resides in New South Wales, Australia.

The Directors, with David Kirk abstaining, recommend that shareholders vote in favour of this resolution.

b. Resolution 2. - Ms. Sandra McPhee

Sandra has extensive experience as a non-executive director and senior executive in a range of major public, Commonwealth and State Government and not for profit organisations including utilities, retail, tourism and aviation.

She has served as a Non-executive Director of Scentre Group, Westfield Retail Trust, AGL Energy, The Coles Group, Fairfax Media Limited, Perpetual Limited, Tourism Australia, the Art Gallery of NSW, Care Australia and Deputy Chair of South Australia Water.

Sandra is a director of St Vincent's Health Australia and the NSW Public Service Commission. She is Chair of the Expert Advisory Panel appointed by the Commonwealth Government to review Employment Services. She is also a member of the Australian Institute of Company Directors and Chief Executive Women.

In 2013, Sandra was awarded a Member of the Order of Australia for significant service to business and to the community through leadership and advisory roles. In 2003, she was awarded the Commonwealth Medal for services to the community through business leadership. She is the author of the Commonwealth Public Service Commission Workforce Planning Strategy Report – "Unlocking Potential".

Ms. McPhee resides in New South Wales, Australia.

The Directors, with Sandra McPhee abstaining, recommend that shareholders vote in favour of this resolution.

Item 3: Auditors' Remuneration – Resolution 3.

PricewaterhouseCoopers is the existing auditor of the Company and has indicated its willingness to continue in office. Pursuant to section 207T of the Companies Act 1993 of New Zealand, PricewaterhouseCoopers is automatically reappointed at the annual meeting as auditor of the Company. The proposed resolution is to authorise the Directors to fix the auditors' remuneration for the following year for the purposes of section 207S of the Companies Act 1993.

Item 4: Grant of performance rights to Xavier Simonet under the Kathmandu Holdings Limited Long Term Incentive Plan – Resolution 4.

Grant of Performance Rights

Resolution 4. seeks shareholder approval to issue performance rights to Xavier Simonet, Executive Director, under the shareholder approved Kathmandu Holdings Limited Long Term Incentive Plan (“the Plan”). Under the Plan the Board may grant performance rights to any employee of the Company (including Directors who are employees) or any related body corporate of the Company whom the Board decides in its discretion is eligible to be invited to receive a grant of performance rights.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval to grant equity securities in the Company to a Director. The performance rights will be granted to Xavier Simonet under the NZX Main Board Listing Rule 7.3.6. Accordingly, no shareholder approval is required for the grant of the equity securities to Xavier Simonet for the purposes of the NZX Main Board Listing Rules. Subject to that shareholder approval, Xavier Simonet will be granted performance rights which, subject to the achievement of certain performance conditions described below, may vest and convert to ordinary shares on a one-for-one basis.

The Board has decided to grant performance rights to Xavier Simonet, for the following reasons:

- the grant of performance rights is in accordance with acceptable market practice;
- the grant of performance rights has a minimal dilutionary effect on the issued share capital of the Company;
- the grant of performance rights, as the primary component of their incentive based remuneration, will reward this Executive for his performance; and
- performance rights which have been granted under transparent and robust performance conditions, containing stretch elements, will when they vest create recognisable value to the Executive, which ensures alignment with value creation to Shareholders.

Vesting of the performance rights will only occur when the Performance Conditions specified below are satisfied within the Performance Period specified below. If the performance rights do not vest, they will lapse. Financial Performance Conditions are determined inclusive of the cost of the performance rights granted.

On vesting of the performance rights, the Executive is entitled to one fully paid ordinary share in the Company for each performance right vested. The Company may acquire fully paid ordinary shares on market and transfer, or issue new shares to the Executive to satisfy this entitlement. Any shares issued or transferred as a result of the vesting of performance rights issued under the Plan will rank equally with existing fully paid ordinary shares in the Company in all respects, including voting rights and entitlements to participate in dividends and in future rights and bonus issues.

A full copy of the Plan rules may be obtained (at no cost) upon request by emailing companysecretary@kathmandu.co.nz.

Details about the grant of Performance Rights

Subject to shareholder approval, the Board wishes to grant to Xavier Simonet performance rights to the value of A\$579,411 representing 70% of Mr. Simonet’s Fixed Annual Remuneration of A\$827,730.

The actual number of performance rights to be granted to Xavier Simonet for nil cash consideration under the Plan will be determined by dividing the performance rights value of A\$579,411 by the average volume weighted price for the Company’s ordinary shares as traded on the ASX on the 5 business days prior to the offer being made to Xavier Simonet.

The performance rights will be granted to Xavier Simonet no later than 12 months after the meeting, and as soon as practicable after the meeting. The performance rights will only vest if the Performance Conditions are satisfied during the applicable Performance Period, as specified below. Financial Performance Conditions are determined inclusive of the cost of the performance rights granted. Where the Performance Conditions are met, the performance rights will, on the Vesting Date, convert to ordinary shares in the capital of the Company on a one-for-one basis. Any shares allotted to Mr. Simonet may be acquired on market or issued by the Company.

No consideration will be payable by Xavier Simonet in respect of the grant of the performance rights or the transfer or issue of shares upon vesting of the performance rights.

Vesting Date

The Vesting Date for the performance rights proposed to be granted to Mr Simonet will be as follows:

| Director | Vesting Date |
|-------------------|-----------------|
| Mr Xavier Simonet | 1 December 2021 |

Note that at an exchange rate of NZ\$1.00 to A\$0.91 the grants proposed equate to NZ\$636,715 in respect of Xavier Simonet (Item 4).

Performance Conditions

The Performance Conditions for the vesting of the performance rights proposed to be granted to Mr Simonet are comprised of a dual test of relative Total Shareholder Return ("TSR") and Earnings per Share ("EPS Growth") ("Performance Conditions").

The Board considered it appropriate to have a dual test since:

- a TSR component provides a challenging test (where reward is only delivered for 'out-performing' a target that is based on the Company's relative performance) against other listed entities and also provides transparency for external stakeholders; and
- an EPS component which rewards achievement against a target is within management's influence, thereby focusing executives on one of the Company's key business drivers.

The Board believes that the dual tests, if achieved, will demonstrably aid the creation of shareholder value. Each Performance Condition is weighted evenly.

TSR Performance Hurdle

Vesting of 50% of the performance rights will depend upon the Company's relative TSR performance determined by the Board on the basis of the Company's relative TSR ranking calculated over the 36 months to 1 December 2021 compared with the TSR performance of the entities in a comparator group calculated over the same period ("the Performance Period").

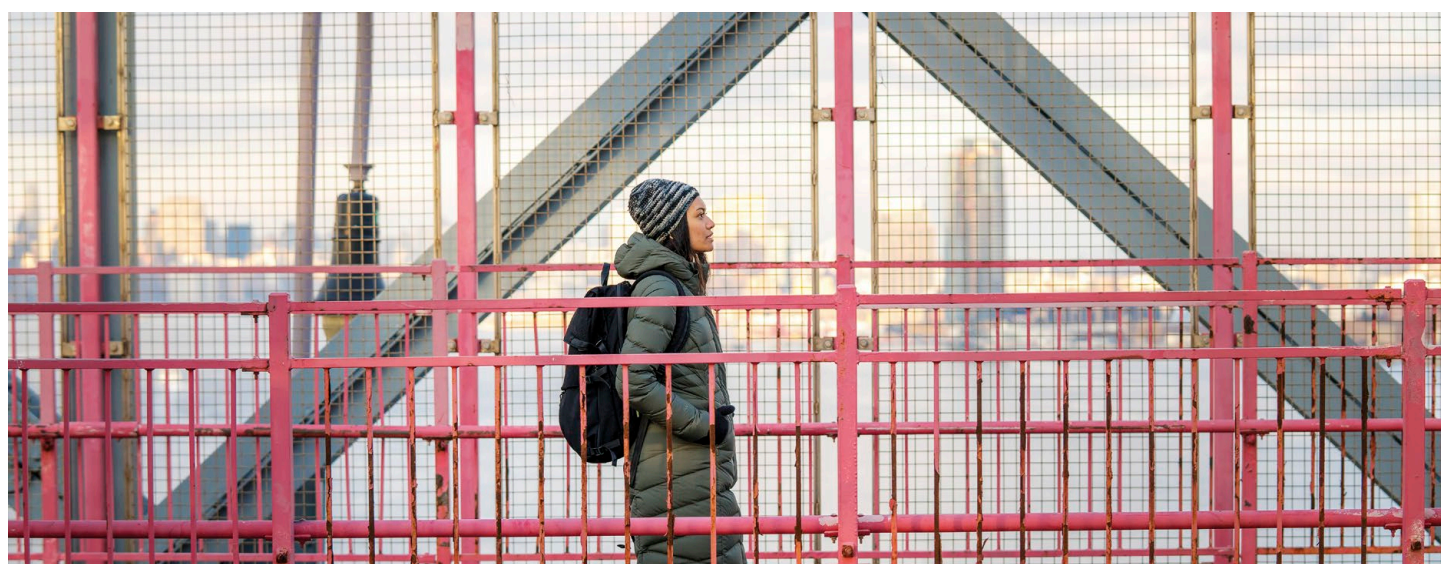
Comparator Group

The Company's TSR will be compared to the TSRs over the same period of listed entities that are amongst the ASX 101-200 as at 1 December 2018. The Board has a general discretion to exclude entities from the comparator group for the comparison of the Company's TSR in the Performance Period (for example, in circumstances where an entity subject to a takeover event during the year).

Vesting Measures

The following table sets out the percentage of performance rights subject to the TSR condition that may vest based on the Company's relative TSR ranking:

| Percentile ranking of the Company at the end of the Performance Period | Percentage of performance rights subject to the TSR condition that will vest |
|--|--|
| Below the 50th percentile | 0% |
| At the 50th percentile | 50% |
| Between the 50th and the 75th percentile | Between 50% and 100%, on the basis that each percentile improvement above the 50th percentile will result in 50% plus an additional 2% vesting |
| 75th percentile or above | 100% |



EPS Growth Condition

Vesting of 50% of the performance rights will be dependent upon the Company's EPS Growth Rate over the Performance Period.

The EPS Growth Rate is the Compound Average Annual Growth rate in the Company's basic earnings per share (EPS) (expressed as a percentage) over the Performance Period using the 2017/2018 financial year EPS as the base. The 2017/2018 financial year EPS has been determined as 23.9 cents per share. This has been calculated as follows:

- Company earnings, net profit after tax, was \$50.5 million
- Weighted average shares on issue of 211.3 million
- Resulting earnings per share 23.9 cents per share

Performance Period

The applicable Performance Period is 1 August 2018 to 31 July 2021;

The EPS Growth Rate over the Performance Period is calculated using the following formula:

[EPS Growth Rate = [EPS pp/EPS base]^{1/x} - 1] where:

EPS pp = EPS over the Performance Period

EPS base = EPS in the 2017/2018 financial year

x = no of years in the Performance Period (i.e. 3).

The calculation of EPS over the Performance Period:

- Will include in the earnings calculation all costs of performance rights that are expensed during the Performance Period; and
- Will ignore any performance rights for which a share has not been issued (i.e. unvested performance rights).

In relation to the performance rights:

- No performance rights subject to EPS Growth Condition will vest unless the EPS Growth Rate over the Performance Period is equal to or greater than 7%.
- 100% of the performance rights subject to the EPS Growth Condition will vest if the EPS Growth Rate over the Performance Period is equal to or greater than 12%.
- The proportion of the performance rights subject to the EPS Growth Condition that will vest will increase on a straight-line basis for an EPS Growth Rate of between 7% and 12% so that the number of EPS performance rights that vest increases by an additional 10% for each additional 1% increase in the Company's EPS Growth Rate.

The vesting scale for the proportion of the performance rights subject to the EPS Growth Condition is summarised in the following table:

| Compound Average Annual Growth in Company's EPS over the relevant Performance Period | Percentage of performance rights subject to the EPS Growth Condition that will vest |
|---|--|
| Less than 7% | 0 |
| 7% | 50% |
| 8% | 60% |
| 9% | 70% |
| 10% | 80% |
| 11% | 90% |
| Equal to or greater than 12% | 100% |

Treatment of performance rights on termination of employment

Where Mr Simonet's employment ceases before the performance rights have vested, the treatment of unvested performance rights depends on a number of factors, including the circumstances in which he has ceased employment. In general, where the Executive Director's employment is terminated:

- for serious misconduct, unvested performance rights will lapse; or
- in other circumstances, unvested performance rights will remain on foot and will vest in the ordinary course subject to the performance hurdles outlined above.

The Board retains a discretion to vest or lapse unvested performance rights with effect from the termination date in appropriate circumstances. It is intended that the discretion to accelerate vesting would only be exercised in the event of death or total and permanent disablement.

ASX Listing Rule Requirements

Pursuant to the requirements of ASX Listing Rule 10.15, the following additional information is provided regarding Item 4:

- No consideration was payable for any of the performance rights.
- In accordance with the approval received from shareholders at the 2017 Annual Meeting, Xavier Simonet was granted 292,809 performance rights on 20 December 2017 under the Plan.
- The Plan provides that any Director of the Company who holds salaried employment is eligible to participate

in awards under the Plan. The only Director who is eligible to participate in the Plan is Xavier Simonet.

- There is no loan attaching to the offer under the Plan.
- Any additional Directors who become entitled to participate in the Plan after the shareholders have approved it who are not named in this notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- Performance rights will be issued no later than 12 months after the meeting, and as soon as practicable after the meeting. All Shares to be issued or transferred upon vesting of performance rights, will be issued or transferred (as the case may be) no later than 20 December 2021.

The Directors (with Xavier Simonet abstaining) unanimously recommend that shareholders vote in favour of the resolution for resolution 4.

Item 5: Increase cap on non-executive directors' remuneration pool – Resolution 5.

In accordance with ASX Listing Rule 10.17 and NZX Main Board Listing Rule 3.5.1, the limit on the total aggregate remuneration that may be paid to non-executive Directors is fixed by ordinary resolution of the shareholders.

Resolution 5. proposes an increase in the total aggregate remuneration that may be paid to non-executive Director's by A\$200,000, from the present limit of A\$800,000 per annum in aggregate, to a proposed limit of A\$1,000,000 per annum in aggregate, with effect from 1 August 2018.

The current limit was approved by shareholders at the Company's 2011 Annual Meeting.

Non-executive Directors are not granted equity in the Company as part of their remuneration, nor are they eligible to receive bonus payments. Details of the Company's approach and the amount of remuneration paid to non-executive Directors is disclosed in the Directors' Report contained within the Company's FY18 Annual Report.

Non-executive Directors are remunerated via Board fees which are reviewed annually and are reflective of the time commitment and responsibilities involved in performing the role of a Director, taking into account market rates and trends for similar organisations.

The proposed increase would allow the capacity to appoint other non-executive Directors to the Board as required, and to ensure that the right mix of skills, experiences and

diversity necessary for the proper functioning of the Board is maintained. Also, this allows for succession planning by facilitating the appointment of a new non-executive Director before the retirement of an existing non-executive Director.

No securities (or options convertible into securities) have been issued to any non-executive Director as payment (in full or in part) of a non-executive Directors' remuneration in the past three years.

Xavier Simonet recommends that shareholders vote in favour of resolution 5. Given the interest in this matter of each non-executive director, the non-executive Directors make no recommendation to shareholders on resolution 5.

Admission to meeting

The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 5.00pm (New Zealand time) on Wednesday, 21 November 2018.

Shareholders who will be attending the meeting, and who will not be appointing a proxy, are requested to bring the proxy form to the meeting to help speed admission.

Shareholders who do not plan to attend the meeting are encouraged to complete and return the proxy form for each of their holdings of Kathmandu Holdings Limited shares or to complete a postal vote.

Questions by shareholders

In addition to asking questions at the meeting, written questions to the Board, Senior Management and the Auditors of Kathmandu Holdings Limited, may be submitted no later than 5:00pm (New Zealand time) on Tuesday, 20 November 2018 to:

The Chairman

Kathmandu Holdings Limited
C/- Company Secretary
PO Box 1234
Christchurch 8140
New Zealand

Facsimile: +64 3 373 6116

Email: Company.secretary@kathmandu.co.nz

Copies of written questions and answers will be available at the meeting and a full transcript of the meeting will be posted on Kathmandu Holdings Limited's website within 24 hours of the meeting.



Proxies & Postal Votes

1. If you are unable to attend and vote at the meeting and wish to appoint a person who will be attending as your proxy, please complete the enclosed proxy form.
2. Proxy and Postal voting can also be completed online
New Zealand Register Holders:
<https://investorcentre.linkmarketservices.co.nz/voting/KMD>
 You will require your CSN/Holder Number and FIN to complete your vote.
Australian Register Holders:
<https://investorcentre.linkmarketservices.com.au/voting/KMD>
 You will require your SRN/HIN and postcode to complete your vote.
3. The Chairman of the meeting offers himself as a proxy to shareholders.
4. The Chairman will vote according to your instructions on the proxy form. If the Chairman is not instructed how to vote on any resolution, he will vote on, and in favour, of all proposed resolutions set out in this notice.
5. A proxy need not be a shareholder.
6. Alternatively, you may submit a postal vote by ticking the relevant box on the proxy form and providing your voting directions for each of the resolutions. If you submit a postal vote, your votes will be counted on a vote by a show of hands at the meeting and/or if a poll is called at the meeting. If you submit a postal vote you do not need to appoint a proxy.
7. If you return your postal vote form without indicating on any resolution how you wish to vote, you will be deemed to have abstained from voting on that resolution.
8. If you complete the postal vote section and also appoint a proxy your postal vote will take priority over your proxy appointment.
9. You can complete your postal vote online as detailed on the Postal / Proxy Form.
10. A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend and vote for the member at the meeting.
11. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A single proxy exercises all voting rights.
12. Where you have appointed a proxy who is excluded from voting on a particular resolution, your proxy will

only be able to vote on your behalf in accordance with your express instructions; this excludes instructions that give the proxy holder a discretion how to exercise your vote as the proxy holder sees fit.

13. The form of proxy must be signed by the member or the member's attorney duly authorised in writing or if the member is a corporation under its corporate seal or by its duly authorised attorney or representative. If an attorney is to attend the meeting please submit the relevant certified power of attorney for noting and return. If a representative of the corporation or body corporate is to attend the meeting the appropriate Letter of Representation should be produced prior to admission.
14. In the case of joint holders the proxy form may be signed by either security holder.
15. Proxy forms will only be valid and accepted if they are signed and forwarded to the Company's share registry, Link Market Services, at the address or facsimile number specified below, or by being scanned and emailed to meetings@linkmarketservices.co.nz (please put the words "**KMD Proxy Form**" in the subject line for easy identification) so as to be received by 11am (New Zealand Standard Time) or 9am (Australian Eastern Standard time) on Wednesday, 21 November 2018, being at least 48 hours before the meeting.

The Company's share register is maintained at the following address:

In Australia:

Link Market Services Limited
 Level 12, 680 George Street
 Sydney, NSW 2000

Postal Address: Locked Bag A14
 Sydney South NSW 1235

Telephone: +61 1300 554 474 (toll free within Australia)
 +61 2 8280 7100

Facsimile Number: +61 2 9287 0309

In New Zealand:

Link Market Services Limited
 Level 11, Deloitte Centre,
 80 Queen Street, Auckland 1010
 New Zealand

Postal Address: PO Box 91976
 Auckland 1142
 New Zealand

Telephone: +64 9 375 5998

Facsimile Number: +64 9 375 5990



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KATHMANDU HOLDINGS LIMITED
NOTICE OF ANNUAL MEETING 2018

kathmanduholdings.com



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+64 9 375 5990

Deliver in person

Link Market Services Limited,
Level 11, Deloitte Centre
80 Queen Street, Auckland 1010

Mail

Use the enclosed envelope or
address to:

Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand

SCAN THIS QR CODE WITH YOUR SMARTPHONE AND VOTE ONLINE



General Enquiries

+64 9 375 5998 | enquiries@linkmarketservices.com

Kathmandu Holdings Limited Annual Meeting 2018 Admission Card, Proxy or Postal Voting Form

The Kathmandu Holdings Limited Annual Meeting will be held on **Friday, 23 November 2018** at 11am (NZST) at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland, New Zealand.

If you propose NOT to attend the Annual Meeting, but wish to vote by postal vote, or appoint a proxy please complete and return this form (please keep it intact) to Link Market services no later than **11am (NZST) or 9am (AEST) on Wednesday 21 November 2018** (being 48 hours before the commencement of the Annual Meeting). Proxy appointment or Postal Voting can also be completed online. Please read the instructions below before completing this form. Please do not appoint a proxy if you are voting by Postal Vote.

POSTAL VOTE

As a shareholder entitled to vote at the Annual Meeting you are entitled to vote by postal vote.

If you return your postal vote without indicating on any resolution how you wish to vote, you will be deemed to have abstained from voting on that resolution.

If you complete the postal vote section and also appoint a proxy your postal vote will take priority over your proxy appointment.

APPOINTMENT OF A PROXY

A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy or, in the case of a corporate shareholder, a representative to attend and vote instead of him/her and that proxy or representative need not also be a shareholder. A proxy appointment may be delivered or completed online as detailed above.

A Proxy is able to vote on motions from the floor and/or any resolutions put before the meeting to amend the resolutions stated in the Notice.

If you wish you may appoint the Chairman of the Meeting as your proxy. To do so, please write "Chairman of the Meeting" in the box marked "full name of proxy". The Chairman will vote according to your instructions. If the Chairman is not instructed how to vote on any resolution, he will vote as he thinks fit on the relevant resolution.

VOTING OF YOUR HOLDING

You may vote or direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on the items of business, your postal

vote will be invalid, or in the case of a proxy appointee, your proxy may vote as he or she chooses. Where a proxy is excluded from voting on a particular resolution, discretionary proxies cannot be exercised. Express instructions must be provided for that resolution. If you mark more than one box on an item your vote on that item will be invalid.

VOTING EXCLUSIONS

Xavier Simonet and any associate of Xavier Simonet (as defined in the ASX Listing Rules) are excluded from voting on Resolution 4. All non-executive Directors (being all Directors other than Xavier Simonet) and their associates are excluded from voting on Resolution 5. No other person is excluded from voting on any of the resolutions.

SIGNING INSTRUCTIONS FOR PROXY FORMS

Individual

This Proxy Form must be signed by the shareholder or his/her/its attorney, duly authorised in writing.

Joint Holding

This Proxy Form may be signed by either, or on behalf of, the joint shareholders (or their duly authorised attorney).

Power of Attorney

If this Proxy Form is signed under a power of attorney, a copy of the power of attorney and a signed certificate of non-revocation of the power of the attorney, under which it is signed, must be produced to Kathmandu Holdings Limited with this proxy form.

Company

This Proxy Form must be signed by a Director or a duly authorised officer acting under the express or implied authority of the shareholder, or an attorney duly authorised by the shareholder.

POSTAL VOTE / PROXY FORM

STEP 1: CHOOSE TO VOTE BY POSTAL VOTE OR APPOINT A PROXY TO VOTE ON YOUR BEHALF

POSTAL VOTING

☐

I wish to vote by postal vote (please tick the box).
My voting intention is indicated in the resolution section below.

APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a shareholder of Kathmandu Holdings Limited

Hereby appoint _____ of _____

or failing him/her _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of the Company to be held at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland **at 11am (New Zealand Standard time) on Friday, 23 November 2018** and at any adjournment of that meeting.

STEP 2: VOTING DIRECTIONS

Tick (✓) in box to vote

ORDINARY BUSINESS

Resolution 1. To re-elect Mr. David Kirk as a Director.

| For | Against | Proxy Discretion | Abstain |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Resolution 2. To re-elect Ms. Sandra McPhee as a Director.

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|--------------------------|

Resolution 3. Auditor remuneration.

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|--------------------------|

Resolution 4. Grant of performance rights to Mr Xavier Simonet.

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|--------------------------|

Resolution 5. Increase cap on non-executive directors' remuneration pool

| | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|--------------------------|

STEP 3: SHAREHOLDER QUESTIONS

Please submit any questions about the Company that you would like us to respond to at the Company's Annual Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting. If you cannot attend the Annual Meeting but would like to ask a question, you can submit a question online by going to **vote.linkmarketservices.com/KMD** and completing the online validation process or complete the question section below and return to Link Market Services. Questions will need to be submitted by **5:00pm (NZT) Tuesday 20 November 2018**.

Question:

SIGN: SIGNATURE OF SECURITY HOLDER(S) This section must be completed.

Security holder 1

Security holder 2

Security holder 3

Contact Name _____

Daytime Telephone _____

Date _____

Electronic Investor Communication:

If you received the Notice of Meeting & Proxy Form by mail and you wish to receive your future communications by email please provide your email address below: