

7 November 2016

To: Australian Securities Exchange
New Zealand Stock Exchange

Correction to Notice of Annual General Meeting:

Kathmandu Holdings Limited advise that there was an inconsistency in the Notice of Annual General Meeting previously released to the NZX and ASX on 13 October 2016.

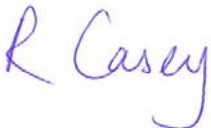
The resolution for Item 5, "Grant of performance rights to Xavier Simonet under the Kathmandu Holdings Limited Long Term Incentive Plan" incorrectly stated the value of performance rights to be granted as "up to \$546,000". As stated in the explanatory note for Item 5, the value of performance rights to be granted is "up to \$556,850".

The resolution to be voted on at the meeting will read:

"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\$556,850, calculated in accordance with the formula and terms described in the Explanatory Statement which forms part of this Notice of Meeting."

An amended Notice of Meeting is attached to this announcement.

Regards



Reuben Casey
Company Secretary

Kathmandu Holdings Ltd

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A man and a woman are sitting on a rocky mountain trail. The man is on the left, wearing a blue puffy jacket and tan pants. The woman is on the right, wearing a pink puffy jacket, dark leggings, and brown boots. They are both looking towards the camera. The background shows a steep, rocky mountain slope with some grass and a cloudy sky.

NOTICE OF 2016 ANNUAL MEETING

Kathmandu, 223 Tuam St,
Christchurch, New Zealand on Friday,
18 November 2016 at 11:00am



Kathmandu Holdings Limited (ARBN 139 836 918)

NOTICE OF ANNUAL MEETING

NOTICE IS GIVEN that the seventh Annual Meeting of Kathmandu Holdings Limited ("the Company") will be held at the Kathmandu, 223 Tuam St, Christchurch, New Zealand on Friday, 18 November 2016 at 11:00am (New Zealand time).

Ordinary Business

Financial Statements

1. To receive and consider the Financial Report of the Company for the year ended 31 July 2016 together with the Directors' and Auditor's reports.

Election of Directors

2.a. 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."

2.b 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 Kirk and Ms 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.

Auditors' Remuneration

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."

Approval of the issue of securities under the Long Term Incentive Plan for Employees

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

"That approval is given for the purpose of Exception 9 in ASX Listing Rule 7.2 and for all other purposes for the grant of performance rights, and the subsequent issue or transfer of ordinary Kathmandu Holdings Limited shares to participants, under the Kathmandu Holdings Limited Long Term Incentive Plan on the terms contained in the Explanatory Statement, which are in all respects the same as those previously approved by shareholders when the Plan was initially adopted on 24 November 2010."

Voting exclusion statement – Item 4

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Item 4 by any Executive Director of the Company or any other person to whom performance rights will be granted under the Plan (and any associate of such persons).

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 directions 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 a direction on the proxy form to vote as the proxy decides.

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

5. 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\$556,850, calculated in accordance with the formula and terms described in the Explanatory Statement which forms part of this Notice of Meeting."

Voting exclusion statement – Item 5

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Item 5 by Xavier Simonet or any of his 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 directions 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 a direction on the proxy form to vote as the proxy decides.

General business – Item 6

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

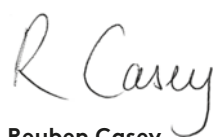
Please note that for shareholders who are unable to attend the meeting, transcripts of the Chairman's and Chief Executive Officer's addresses to the meeting (and any accompanying slide presentations) will be posted on the Company's website at kathmanduholdings.com and released to NZX's and ASX's market 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 2016



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, 18 November 2016.

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.

Information about the candidates for election

a. 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.

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

b. Ms. Sandra McPhee

Ms. Sandra McPhee is a non-Executive Director with an executive career background in sales and marketing including 10 years with Qantas Airways. Ms. McPhee also served as Chief Executive Officer of the Ansett/Traveland group which comprised a network of 250 retail travel and franchise stores.

Ms. McPhee is currently a non-executive Director of Fairfax Media and Chairman of St Vincents & Mater Health Sydney Limited. She is also a member of the Advisory Council of JP Morgan and the New South Wales Public Service Commission Advisory Board.

Previous non-Executive roles include AGL Energy Limited, Scentre (previously Westfield Retail Trust), Coles Group, Australia Post, Perpetual, Primelife, Tourism Australia and South Australia Water.

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

ITEM 3: Auditors' Remuneration

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: Approval of the issue of securities under the Long Term Incentive Plan for Employees

Item 4 seeks shareholder approval for the continuation of the issue of securities under the Kathmandu Holdings Limited Long Term Incentive Plan ("the Plan").

The Company's remuneration structure aims to align long term incentives for senior management and Executives including Executive Directors with the delivery of sustainable value to shareholders. This alignment of interests is important in ensuring that Executives and senior managers are focused on delivering optimal long term returns to shareholders, in conjunction with allowing the Company to attract and retain Executives and senior managers of a high calibre.

The Plan aims to link the long term remuneration of senior management and executives including Executive Directors with the economic benefit derived by shareholders over a two to four-year period and, subject to shareholder approval, will continue to form part of the Company's overall remuneration strategy.

Reason for the Plan

In line with the Company's existing remuneration philosophy and practice, the Board believes that appropriately designed equity based plans are an important component of the Company's remuneration arrangements.

The Board wishes to continue the Plan to enable the Board to grant long term incentives in the form of performance

rights which will vest only on the satisfaction of appropriate performance hurdles and/or conditions (which may include tenure requirements).

The objectives of the Plan are:

- to align long term shareholder interests with employee remuneration;
- to attract, motivate and retain key employees in the Company;
- to provide an incentive to key employees to drive continuing improvement in the Company's performance;
- to provide market competitive reward mechanisms in line with the guidelines and expectations of Australian and New Zealand shareholders; and
- to provide key employees with the opportunity to acquire an ownership interest in the Company.

Reason for Plan Approval

ASX Listing Rules

Approval of shareholders is sought for the purpose of Exception 9 in ASX Listing Rule 7.2.

In general terms, ASX Listing Rule 7.1 requires the Company to obtain the prior approval of shareholders to issue securities if, when aggregated with securities issued by the Company during the previous 12 months, the issue will exceed 15% of the number of securities the Company has on issue at the commencement of that 12-month period. There are a number of exceptions to ASX Listing Rule 7.1, including ASX Listing Rule 7.2 (Exception 9).

ASX Listing Rule 7.2 (Exception 9) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme (such as the Plan), if, within 3 years before the date of issue of securities, shareholders of the company have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

If the Plan is approved for the purpose of ASX Listing Rule 7.2 (Exception 9), any performance rights issued under the Plan during the 3 years following the 2016 Annual Meeting will not be included in determining whether any further issues of securities by the Company will breach the 15% limit under ASX Listing Rule 7.1 in respect of any 12-month period.

Since the Plan was last approved by shareholders at the 2013 annual general meeting the Company has issued 2,608,050 performance rights, and 197,448 fully paid ordinary shares under the Plan.

NZX Main Board Listing Rules

Specific approval of the Plan itself is not required under the NZX Main Board Listing Rules.

Summary of Plan Terms

Under the Plan, the Board may grant performance rights to any employee of the Company (including Directors holding salaried employment) or any related body corporate of the Company whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of performance rights ("Eligible Employee").

Non-Executive Directors are not eligible to participate in the Plan.

The Company will not apply for ASX or NZX quotation of any performance rights issued under the Plan.

Vesting of performance rights will occur when the specified conditions and/or performance hurdles are satisfied within a performance period. Each performance right, when vested, will automatically convert to one fully paid ordinary share in the Company.

The Company may acquire fully paid ordinary shares on market and transfer, or issue new shares, on vesting of performance rights.

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 entitlement to participate in dividends and in future rights and bonus issues.

Performance rights for which no share has been issued or transferred do not include any entitlement to participate in new issues of shares, dividends, rights, bonus issues or other pro-rata issue to the Company's shareholders, unless the Board in its absolute discretion determines otherwise.

In summary, the key terms of the Plan are:

- The Board may grant performance rights for no cash consideration.
- The Board may establish rules for each grant of performance rights under the Plan which must be consistent with this summary. However, the Board has absolute discretion to vary the rules or waive performance conditions as it considers appropriate.
- Performance rights may be granted at intervals determined by the Board.
- The number of performance rights to which an Eligible Employee may be entitled will be determined by the Eligible Employee's position taking into account the person's role, seniority and contribution to the Company, consistent with the Company's remuneration philosophy.
- The Board will determine the number of performance rights for each Eligible Employee. The number will be calculated by dividing (i) the relevant dollar value which represents a particular percentage of the Eligible Employee's base salary (excluding superannuation, if applicable), plus for

Executives any short term cash incentive payment that the Eligible Employee may receive or become entitled to, by (ii) the volume weighted average price of the Company's ordinary fully paid shares traded on the ASX or NZX (depending upon location of the Eligible Employee's employment) over a period determined by the Board.

- Performance rights will, subject to satisfaction of performance conditions, vest on the basis of one ordinary share for each performance right which vests, and on such dates as determined by the Board in its absolute discretion and set out in the invitation from the Board to the Eligible Employee to apply for performance rights under the terms of the Plan.
- Where an Eligible Employee's employment ceases, any performance rights held by them will lapse, except in the case of redundancy, death or total and permanent disability where the Board may in its absolute discretion determine to vest some or all of the Eligible Employee's performance rights or determine that those performance rights will not lapse and will remain subject to some or all of the performance conditions (to vest if those performance conditions are satisfied over the applicable performance period).
- Unless otherwise determined by the Board, an Eligible Employee will forfeit any performance rights or other rights or entitlements under the Plan if:
 - the Eligible Employee is dismissed for cause;
 - in the Board's reasonable opinion, the Eligible Employee acts fraudulently or dishonestly, is in serious breach of duty to the Company or commits any act of harassment or discrimination; or
 - in the Board's reasonable opinion, the Eligible Employee has brought the Company into disrepute.
- Performance rights granted under the Plan are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with in any way. A performance right will lapse immediately if any such thing purports to occur.
- In the event of a change of control (where a person or entity becomes the holder or controller of more than 50% of the issued shares of the Company) the Board may, in its absolute discretion but subject to relevant laws and the ASX and/or NZX Main Board Listing Rules, determine if any performance rights will vest and allocate a number of shares on a pro rata basis, or determine whether any performance rights will automatically lapse.
- In the event of any alteration to the Company's capital or re-organisation of the Company's capital (including consolidation, sub-division, cancellation, redemption,

reduction, acquisition by the Company, return or other rearrangement or reconstruction), the Board may, in its absolute discretion, make adjustments to the number of performance rights to which Eligible Employees are entitled, subject to the ASX and/or NZX Main Board Listing Rules.

- The maximum number of performance rights that may be offered under the Plan at any time shall not exceed the lesser of:
 - the maximum permitted under any applicable laws; or
 - when combined with performance rights already on issue, 5% of the total number of issued fully paid ordinary shares of the Company at the time of the proposed grant of performance rights under the Plan.

A full copy of the Plan rules may be obtained upon request by emailing companysecretary@kathmandu.co.nz.

The Directors (with Xavier Simonet abstaining) unanimously recommend that shareholders vote in favour this resolution.

Item 5: Grant of performance rights to Xavier Simonet under the Kathmandu Holdings Limited Long Term Incentive Plan

Grant of Performance Rights

Item 5 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 is satisfied within the Performance Period specified below. 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.

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\$556,850 representing 70% of Mr. Simonet's Fixed Annual Remuneration of A\$795,500.

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\$556,850 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 2019

Note that at an exchange rate of NZ\$1.00 to A\$0.90 the grants proposed equate to NZ\$618,800 in respect of Xavier Simonet (Item 5).

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 2019 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 2016. 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 2015/2016 financial year EPS as the base. The 2015/2016 financial year EPS has been determined as 16.6 cents per share. This has been calculated as follows:

- Company earnings, net profit after tax, was \$33.5 million
- Weighted average shares on issue of 201.4 million
- Resulting earnings per share 16.6 cents per share

Performance Period

The applicable Performance Period is 1 August 2016 to 31 July 2019;

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 2015/2016 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 10%.
- 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 15%.
- 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 10% and 15% 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 10%	0
10%	50%
11%	60%
12%	70%
13%	80%
14%	90%
Equal to or greater than 15%	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 5:

- No consideration was payable for any of the performance rights.
- In accordance with the approval received from shareholders at the 2015 Annual Meeting, Xavier Simonet was granted 407,463 performance rights on 16 December 2015 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 2019.

The Directors (with Xavier Simonet abstaining) unanimously recommend that shareholders vote in favour of the resolution for item 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, 16 November 2016.

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, 15 November 2016 to:

The Chairman
Kathmandu Holdings Limited
C/- Company Secretary
Kathmandu Holdings Limited
223 Tuam Street,
Christchurch, 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://vote.linkmarketservices.com/KMD>

You will require your CSN/Holder Number and FIN to complete your vote

Australian Register Holders:

<https://vote.linkmarketservices.com/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. 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.
13. In the case of joint holders the proxy form may be signed by either securityholder.
14. 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 11:00am (New Zealand time) or 09:00am (Australian Eastern Standard time) on Wednesday, 16 November 2016, being at least 48 hours before the meeting.
15. 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
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