

# Capital Change Notice

## Notice of issue of options under Kathmandu's performance rights plan

This notice is given under the NZX Listing Rule 3.13.1 and relates to the issue of Performance Rights which are convertible into fully paid ordinary shares in the Company should certain vesting criteria be met under the Kathmandu Holdings Limited Long Term Incentive Plan.

Section 1: Issuer information	
Name of issuer	Kathmandu Holdings Limited
NZX ticker code	KMD
Class of financial product	Unquoted Performance Rights convertible into fully paid ordinary shares in Kathmandu Holdings Limited
ISIN (If unknown, check on NZX website)	NZKMDE0001S3
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	654,836 Performance Rights
Nominal value (if any)	N/A
Issue/acquisition/redemption price per security	Nil
Nature of the payment (for example, cash or other consideration)	No amount is payable for the grant of Performance Rights under the Kathmandu Holdings Limited Long Term Incentive Plan
Amount paid up (if not in full)	N/A
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence)	The Performance Rights comprise 100% of the financial products of that class.
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	<ul style="list-style-type: none"> <li>• Each Performance Right granted under the Plan entitles the holder to acquire one fully paid ordinary share in Kathmandu Holdings Limited.</li> <li>• The number of Performance Rights that vest will depend on Kathmandu Holdings Limited's performance over a 12 month performance period to 31 July 2020 assessed against financial performance conditions (EBIT).</li> <li>• Performance Rights will lapse where the performance conditions are not met.</li> <li>• Performance Rights will lapse where the holder ceases to be employed by the Kathmandu Group as at 31 July 2021.</li> <li>• There is no amount payable by holders either on grant or exercise of the Performance Rights.</li> </ul>

Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	Issue of Performance Rights to selected Senior Management employees to be converted into Ordinary Shares in the company upon the satisfaction of certain conditions in accordance with the Kathmandu Holdings Limited Long Term Incentive Plan. Authorised by Board resolutions dated 12 December 2019.
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	654,836 Performance Rights.
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	Not applicable
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	Board resolutions dated 12 December 2019 pursuant to NZX Listing Rule 4.6.1
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	<ul style="list-style-type: none"> <li>• The holder of the Performance Rights has the right to be issued Ordinary Shares vesting on 31 July 2021 provided the employee remains in employment with the company to that date.</li> <li>• The number of Performance Rights that vest will depend on Kathmandu Holdings Limited's performance over the 12 months ending 31 July 2020 assessed against financial performance targets (EBIT).</li> <li>• Performance Rights will lapse where the performance conditions are not met.</li> </ul>
Date of issue/acquisition/redemption	20 December 2019
<b>Section 3: Authority for this announcement and contact person</b>	
Name of person authorised to make this announcement	Chris Kinraid
Contact person for this announcement	Chris Kinraid
Contact phone number	03 968 6110
Contact email address	chris.kinraid@kathmandu.co.nz
Date of release through MAP	20/12/2019