

## Kathmandu Holdings Limited Remuneration Committee Charter

### Constitution

The remuneration committee ("Committee") shall be a committee of the Board of Directors of Kathmandu Holdings Limited ("Company") established by the Board.

### Objectives

The primary objective of the Committee is to assist the Board in fulfilling its responsibilities to stakeholders on management activities for the Kathmandu Group in relation to:

- Overseeing the development and application of the Group Human Resources strategy, the remuneration framework and associated policies;
- The remuneration of senior executives, non-executive Directors and Directors;
- Providing effective remuneration policies and programs to motivate high performance from all employees; and
- Ensuring appropriate and effective policies for managing the performance and development of employees at all levels.

The purpose of the Committee is to ensure the remuneration programme of the Kathmandu Group delivers the business plan, is fit for purpose and is one which considers the current business needs of the Group whilst supporting shareholder and customer value.

### Membership

The Committee will consist of a minimum of three members of the Board, all of whom will be non-executive directors, and the majority of those being independent non-executive directors.

All appointments to, or removals from, the Committee will be approved by majority decision of the Board.

The Board will appoint the Chairman of the Committee who will be an independent non-executive director.

### Meetings

Meetings of the Committee will be held at least twice a year, having regard to when Director and executive remuneration is due for review, and the date of the annual meeting of the Company. Any member of the Committee, the Chief Executive Officer or the Company Secretary may request a meeting at any time if they consider it necessary.

A quorum of the Committee shall be two, of whom at least one must be an independent director. No business may be transacted at a meeting of the Committee unless a quorum is present.

The Company Secretary will act as the Secretary of the Committee and will attend all Committee meetings. Minutes of all Committee meetings will be kept.

Reasonable notice of all Committee meetings and the business to be conducted will be circulated to the members of the Committee and all other members of the Board.

With the prior approval of the Chairman of the Committee, the Committee may have in attendance:

- non-Committee Board members or members of management as appropriate provided that they are not conflicted for personal reasons; or
- external advisors, as necessary, to provide appropriate information and advice,

provided that the Committee shall require any one in attendance to withdraw from any part of the meeting where that individual's terms of engagement, remuneration or performance is being discussed.

After each meeting of the Committee, the Chairman of the Committee will report the Committee's recommendations and findings to the Board.

The minutes of all Committee meetings will be circulated to the Board by the Company Secretary.

### **Responsibilities**

The responsibilities of the Committee are as follows:

#### **General Remuneration and Human Resource responsibilities**

- reviewing and providing advice to the Board on the Company's Human Resources strategy and its implementation;
- ensuring the Company maintains effective remuneration policies and strategies to attract, incentivise and retain highly competent employees including short and long term incentive plans and equity-based incentive plans (if applicable);
- reviewing the Company's annual performance and remuneration review principles;

#### **Executive Directors and Senior Executives**

- reviewing and making recommendations (in accordance with the Company's remuneration policies and framework) concerning all components of the remuneration of executive Directors and, in conjunction with the CEO's recommendations, senior executives, including (as appropriate) fixed, performance-based and equity-based remuneration, short and long term incentives and all other entitlements and benefits arising from the terms of employment;
- reviewing the short and long term performance goals and objectives of executive Directors and, in conjunction with the CEO's recommendations, senior executives together with the process for regular review and evaluation of progress towards attainment of those goals and objectives;
- reviewing the level of any entitlement of executive Directors and senior executives to any short and long term incentives in accordance with the rules and principles of any incentive plans;

### **Directors**

- reviewing and making recommendations to the Board on Director's fees for non-executive Directors;
- seeking external advice on Director remuneration and regular benchmarking data before recommendations are made to the Board;
- considering those aspects of the Company's remuneration policies and packages which require shareholder approval, ensuring that fees paid to Directors are within the aggregate amount approved by shareholders and making recommendations to the Board regarding any increases needed to the aggregate amount at the next annual meeting;

### **Other responsibilities**

- such other matters relating to remuneration as may be referred to it by the Board from time to time.

### **Authority**

The Committee has the power only of recommendation to the Board for final decision and does not have the authority to make a decision in the Board's name or on its behalf.

The Committee is authorised by the Board, at the expense of the Company, to obtain such outside information and advice including market surveys and reports, and to consult with such outside advisers with relevant experience and expertise as it thinks necessary for carrying out its responsibilities.

### **Review of the Committee and Charter**

The Committee will undertake an annual self-review of its objectives and responsibilities and this Charter with reference to current best corporate governance practice. Any changes to this Charter must be approved by the Board.

The Board will evaluate the performance of the Committee as it deems appropriate.

Adopted by the Board on 22 June 2017.

Last reviewed by the Board on 15 June 2018.