

## Kathmandu Holdings Limited Board Charter

### Purpose

Kathmandu Holdings Limited (“**Kathmandu**”, the “**Company**”) is a retailer specialising in the manufacture and supply of outdoor and travel apparel, gear and accessories. Its securities are listed on the New Zealand (NZX) and Australian (ASX) stock exchanges.

This Board Charter (“**Charter**”) sets out the role, responsibilities, composition and structure of the Board of Directors of Kathmandu (“**Board**”).

The Board is responsible for the overall supervision and governance of the Company and, in particular, is responsible for:

- The long-term growth and profitability of the Company;
- Developing the strategic and financial objectives for the Company; and
- Monitoring management’s implementation of key policies, strategies and financial objectives.

### Board Role and Responsibilities

The principal role of the Board is the effective oversight of Kathmandu and its related companies (the “**Kathmandu Group**”) by the Board on behalf of the Company’s shareholders and material stakeholders. This Charter provides guidance for how this role should be fulfilled. The Charter should be read in conjunction with the Company’s constitution.

The Board is responsible for the following:

#### *Strategy:*

- Providing input into, and approval of, the Company’s strategic direction, and budgets as developed by management.
- Directing, monitoring and assessing the Company’s performance against strategic and business plans.
- Approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

#### *Risk management; Reporting:*

- Identifying the principal risks of the Company’s business.
- Reviewing and ratifying the Company’s systems of internal compliance and control, risk management and legal compliance, to determine the integrity and effectiveness of those systems.
- Approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the NZX, the ASX and other stakeholders and the Company’s compliance with continuous disclosure obligations.

#### *Appointment of Management:*

- Appointment and removal of the Chief Executive Officer (or equivalent) (“CEO”) and the Company Secretary.
- Ratifying the appointment (and where necessary, the replacement) of Senior Executives of the Kathmandu Group.
- Monitoring CEO and Senior Executive succession planning.
- Reviewing and approving the Delegated Authority Policy on an annual basis.

#### *Remuneration:*

- Determining that the remuneration and conditions of service of the CEO and Senior Executives are appropriate.
- Approving the remuneration framework for the Kathmandu Group.
- Reviewing Directors’ fees on an annual basis and making recommendations to Shareholders for approval of any increase to the total fee pool available to be paid to Directors in accordance with the rules of the NZX and/or ASX stock exchanges.

#### *Performance:*

- Approving criteria for assessing performance of the CEO and Senior Executives and monitoring and evaluating their performance.
- Undertaking an annual performance evaluation of the Board that compares the performance of the Board with the requirements of this Charter, reviews the performance of the Board’s committees and each individual Director, considers the goals and objectives of the Board for the upcoming year and effects any amendments to this Charter

considered necessary or desirable. The performance evaluation shall be conducted in such manner as the Board deems appropriate.

*Corporate governance:*

- Seeking to ensure the Kathmandu Group adheres to high standards of ethical and responsible behaviour.
- Monitoring and evaluating the Company's compliance with corporate governance practices including its governing documents and the Company's Code of Conduct.
- Ensuring the Kathmandu Group adheres to high standards of health and safety.
- Reviewing the Kathmandu Group's major policies on a regular basis.

*Board Nominations and succession:*

- Monitoring and Reviewing Board succession planning.
- Ensuring that, as a collective group, the Board members hold the skills, experience, knowledge and diversity needed to discharge the Board's functions and responsibilities.

*Other:*

- Performing such other functions as prescribed by law.

In performing the responsibilities set out above, the Board should act at all times in a manner designed to create and continue to build sustainable value for the Company's shareholders and in accordance with the duties and obligations imposed on them by the Company's Constitution and by law.

## **Board Committees**

The Board may from time to time establish committees to assist it by focussing on specific responsibilities in greater detail than is possible for the Board as a whole ("**Committee**"). These Committees will report to the Board and make any necessary recommendations.

The Board maintains the following Board Committees:

- Audit and Risk Committee; and
- Remuneration Committee.

Each Committee has its own written charter setting out the membership, responsibilities and reporting obligations of each Committee. The Board is responsible for reviewing the function and performance of each Committee, and making any necessary changes to a Committee charter, on a regular basis.

Membership of each Committee and appointment of a chairperson will be determined by the Board from time to time having regard to the capacity, skill and knowledge of each Director.

## **Relationship between the Board and Management**

The Board delegates the responsibility for day to day management and operation of the Kathmandu Group to the CEO, who in turn delegates parts of these functions to the Senior Executives (together, "**Management**"). Matters reserved for the Board and the scope and limitations of delegations to Management are set out in the Delegated Authority Policy approved by the Board.

The CEO is accountable to the Board for the exercise of and compliance with the Delegated Authority Policy. Any matters falling outside of the activities covered by the Delegated Authority Policy must be referred to the Board for approval.

The Board requires Management to provide timely and comprehensive reporting to the Board on all aspects of Kathmandu Group performance.

The Board maintains structures and procedures so that it operates independently of Management. This includes separating the Chairperson and CEO roles and responsibilities, and providing the opportunity for the non-executive Directors meet in the absence of Management periodically.

Directors have complete access to the Management at any time through the Chairperson, CEO or Company Secretary.

## **Board composition**

The Board will ensure its membership comprises the necessary skills, experience, knowledge and diversity to fulfil its purpose and responsibilities.

The number of Directors will be determined in accordance with the constitution of the Company having regard to the requirements of the NZX and ASX listing rules. Directors are elected by shareholders in accordance with the constitution, which also sets out retirement by rotation procedures. The Board may appoint Directors to fill casual vacancies.

The Board is responsible for identifying new Directors and recommending them for appointment to the Board. The Board will continually review an ideal matrix of skills to be collectively held by Board members and seek to identify new Directors who complete any gaps in this skills matrix. The Board will review any nominations received from shareholders and provide recommendations in respect of such nominations at the next annual meeting of the Company.

The Board will establish processes for the selection of appropriate candidates for appointment to the Board which shall include:

- For new appointments, thorough checks to be carried out of the persons character, experience, education, criminal record and bankruptcy history; and
- Disclosure of key information to be provided about the candidate to shareholders of the Company (which shall include any material negative information where applicable) to assist shareholders in their decision as to whether or not to elect (or re-elect) the candidate as a Director.

### **Director Independence**

Without limitation to the rights of shareholders to appoint Directors, the Board shall ensure that the majority of the Board are independent, non-executive Directors. The Board shall refer to the requirements of the NZX and ASX in order to determine director independence. The Board shall, at least annually, review the independence of each Director in light of interests disclosed and will make any disclosures required by the listing rules of the NZX and/or ASX exchanges. Each Director is required to provide the Board with all relevant information to enable it to make this assessment.

### **Chairperson of the Board**

The roles of Chairperson and CEO will not be held by the same individual. The Chairperson will be an independent, non-executive Director.

The Chairperson is responsible for the leadership of the Board and the effective organisation and operation of Board meetings, which includes:

- Facilitating open and constructive discussions amongst Board members to encourage contribution to Board decision-making by all Directors;
- Liaising with the CEO as the primary contact between the Board and Management; and
- Communicating the views of the Board in conjunction with the CEO to the Company's shareholders and stakeholders.

### **Company Secretary**

The Board shall appoint the Company Secretary who is responsible for:

- Scheduling of Board meetings, preparation of agendas, distribution of Board papers, and keeping of meeting minutes; and
- Attending to statutory filings, market disclosures and other communications with ASX, NZX and other regulatory bodies.

The Company Secretary shall attend all Board meetings and Committee meetings but may be requested to leave at any time. Each Director may communicate directly with the Company Secretary from time to time and vice versa.

### **Skills of Directors**

On appointment, each Director will receive a letter of appointment setting out the key terms, duties and conditions of their position. All new Directors will undertake an induction programme on appointment to the Board to strengthen his/her understanding of the Kathmandu Group's business and the markets in which it operates, in order to assist such Director to carry out his/her duties.

Directors are expected to keep themselves abreast of changes and trends in the Company's business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally. Directors are given the opportunity to attend technical or professional development courses to support them with ensuring their knowledge of relevant issues remains current.

### **Board Meetings**

Board meetings are held on a regular basis, as determined annually in advance by the Board. Directors are expected to make all reasonable efforts to attend all meetings of the Board and the relevant Committee(s) of which they are a member.

The Board may invite such persons to its meetings or parts thereof as it deems necessary or appropriate provided that person does not have a conflict of interest in the matter to be discussed at the meeting. All Directors and other attendees at Board and Committee meetings must keep all information presented (whether written or oral) or discussed at such meetings confidential and only use such information in the proper execution of his/her duties to Kathmandu.

Adopted by the Board on December 2017.