

Continuous Disclosure Policy

Kathmandu Holdings Limited (“Kathmandu Holdings”) is committed to promoting investor confidence by providing all shareholders, prospective investors and market participants with the same access to material information about its business in a timely manner through fair and balanced disclosure to NZX and ASX.

1.0 Purpose

The purpose of the Continuous Disclosure Policy is to:

- 1.1 Ensure that Kathmandu Holdings complies fully with its continuous disclosure obligations under all relevant legislation and applicable requirements, including the Financial Markets Conduct Act 2013 (the FMCA), the Corporations Act 2001 (the Corporations Act) and the NZX and ASX Listing Rules as well as best practice;
- 1.2 Provide stakeholders with timely, direct and equal access to information issued by Kathmandu Holdings; and
- 1.3 Promote investor confidence in the integrity of Kathmandu Holdings and its financial products.

This policy seeks to achieve this by setting out the procedures that are to be followed to identify information that is potentially Material Information, escalate such information for review and enable timely disclosure of Material Information.

2.0 Application of this policy

This policy applies to all directors, senior managers, employees, contractors, service providers of businesses operated by Kathmandu Holdings and its subsidiaries (“the Group”).

A senior manager means a person who is not a director but occupies a position that allows them to exercise significant influence over The Group’s management or administration. As at the date of adoption of this policy the Board has determined that the only senior managers of Kathmandu Holdings are the Group Chief Executive Officer and the Group Chief Financial Officer.

Any person who is aware of information which is or may be Material Information which is not public information must follow the disclosure procedures in this policy. In addition, all directors, the Group Chief Financial Officer and the persons that are appointed Authorised Persons and Disclosure Officers under this policy have the additional obligations set out in this policy.

3.0 Kathmandu Holdings’ continuous disclosure obligations

3.1 What is the continuous disclosure obligation?

Kathmandu Holdings has continuous disclosure obligations under the FMCA, the Corporations Act and the NZX and ASX Listing Rules as well as periodic and specific disclosure requirements.

The continuous disclosure obligations require Kathmandu Holdings to promptly and without delay disclose Material Information to NZX and ASX upon becoming aware of that information (subject to limited exceptions).

3.2 What is Material Information?

Material Information means any information relating to Kathmandu Holdings and / or its financial products that a reasonable person would expect, if it were available to the market, to have a material effect on the price of Kathmandu Holdings’ financial products.

There is no definitive list of the matters that may constitute material information. Matters which could require disclosure include:

- a) a material change in Kathmandu Holdings’ financial forecasts or expectations;
- b) The Group’s sales performance;
- c) a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- d) events regarding Kathmandu Holdings’ shares and financial products and proposals to raise additional equity or borrowings;
- e) giving or receiving a notice of intention to make a takeover offer;

- f) mergers, acquisitions/divestments, joint ventures or changes in assets;
- g) major new contracts, orders, or changes in suppliers or customers;
- h) significant changes in products, product lines, supplies or inventory;
- i) industry issues that may have a material impact on The Group; or
- j) legal proceedings against or allegation of any breach of the law, whether civil or criminal, by Kathmandu Holdings.

3.3 There are limited exceptions

There are limited exceptions to the requirement for disclosure of certain information. Advice as to whether an exception applies will be provided in accordance with the processes outlined in this policy. The possible application of an exception does not impact the obligation to escalate potential Material Information. Whether any exception applies is a matter for the Authorised Persons to determine (see below).

3.4 When does Kathmandu Holdings become “aware” of Material Information?

Kathmandu Holdings becomes “aware” of Material Information if, and as soon, as a director or a senior manager has, or ought reasonably to have, come into possession of the Material Information in the course of the performance of their duties. The procedures in this policy are intended to ensure that directors and senior managers are promptly made aware of all information that is potentially Material Information.

3.5 Disclosure to NZX and ASX first

Kathmandu Holdings must not disclose any Material Information to the public, other stock exchanges or other parties (except to those parties to whom an exception applies):

- a) prior to disclosing the Material Information to NZX and ASX; and
- b) prior to an acknowledgement from NZX and ASX of receipt of that Material Information.

Where Kathmandu Holdings needs to make disclosure under its continuous disclosure obligations, nothing can be said about the matter until the information to be disclosed has been first provided to NZX and ASX. Accordingly, all directors and employees must keep all Material Information confidential until Kathmandu Holdings has received confirmation from NZX and ASX that the relevant announcement has been released to the market.

4.0 Roles and responsibilities under this policy

Employees at every level have a role to play to ensure that Kathmandu Holdings achieves the objectives of this policy. The responsibilities under this policy are divided as follows.

4.1 Board of directors

The Board is responsible for approving this policy and any subsequent amendments. The Board may also be involved in the review of significant NZX and/or ASX announcements.

4.2 Directors

Each director is responsible for immediately reporting any potential Material Information to the Authorised Persons.

4.3 Group Chief Financial Officer

The Group Chief Financial Officer is responsible for the overall administration of this policy, and in particular, is responsible for:

- a) reporting on continuous disclosure issues regularly to the Board;
- b) providing guidance and recommendations to the Authorised Persons to assess if information is Material Information;
- c) keeping a record of all NZX and ASX and other announcements that Kathmandu Holdings has made;
- d) keeping a record of disclosure decisions made under this policy;
- e) monitoring Kathmandu Holdings' investor website to ensure all announcements containing Material Information are available on the investor website;
- f) reviewing records of discussions with investors, analysts and third parties to assess whether there has been an inadvertent disclosure of Material Information;

- g) monitoring the effectiveness of the policy, including the understanding by employees in general of the principles and spirit of continuous disclosure and providing appropriate guidance and training to employees from time to time; and
- h) regularly reviewing this policy for legislative changes or development of best practice, and communicating any approved amendments to Kathmandu Holdings' employees.

4.4 Authorised Persons

As at the date of this policy, Kathmandu Holdings has appointed the Chair, the Group Chief Executive Officer, and the Group Chief Financial Officer as the Authorised Persons for the purposes of this policy.

The Authorised Persons are responsible for determining whether information reported in accordance with this policy is Material Information, and if so, whether disclosure is required, and the form of disclosure if determined that disclosure is required.

An Authorised Person may carry out their obligations individually and may seek external advice as they think necessary in relation to Kathmandu Holdings' continuous disclosure obligations but are expected to liaise with the other Authorised Persons to the extent they are available.

The Authorised Persons are also responsible for all communications with the NZX and the ASX. Only the Authorised Persons, and persons authorised by the Authorised Persons, are permitted to speak on behalf of Kathmandu Holdings to the media and to external parties. When communicating with media and external parties, the Authorised Persons must report the information disclosed to the Group Chief Financial Officer to determine if any Material Information has been disclosed and whether as a consequence any disclosure to the NZX and/or the ASX is required.

4.5 Disclosure Officers

A Disclosure Officer has been appointed for each business unit. The Disclosure Officers are responsible for reporting any potential Material Information within their business unit to the Authorised Persons.

4.6 Other employees

All other employees are responsible for immediately reporting any potential Material Information to the Disclosure Officer of their business unit and observing Kathmandu Holdings' "no comments" policy.

5.0 The escalation principles

To ensure Kathmandu Holdings' directors and senior managers are made aware of all potential Material Information as soon as possible, Kathmandu Holdings has established the following information escalation principles.

5.1 Identification and notification of Material Information - as soon as an employee becomes aware of potentially Material Information which has not been previously released by Kathmandu Holdings, he or she must immediately notify:

- a) in the case of directors, senior managers and the Disclosure officers, the Authorised Persons;
- b) in the case of all other employees, the Disclosure Officer of their business unit, who will in turn notify the Authorised Persons.

If a person is unsure whether information is Material Information, that person must disclose that information in accordance with this policy. The Authorised Persons will then make this assessment.

"Continuous disclosure matters" will also be a permanent item on the agenda for every Board meeting, committee meetings and all other meetings from business unit level upwards.

5.2 Review of potentially Material Information

After receiving any potentially Material Information, an Authorised Person will review the information (in consultation with the other Authorised Persons (if available) and senior executives and/or external advisers if necessary), to determine whether the information is Material Information, and is so, whether it is required to be disclosed;

5.3 Prepare external announcement

If the information is required to be disclosed, the Group Chief Financial Officer, or another Authorised Person in their absence, will prepare a draft announcement. Such announcements must be factual, relevant, and expressed in an objective and clear manner;

5.4 Obtain sign off

The draft company announcement must be signed off by another Authorised Person (if available); and

5.5 Lodge announcement

Any Authorised Person, or any person authorised by an Authorised Person, will lodge the announcement with NZX and ASX simultaneously electronically.

No Material Information will be disclosed publicly until Kathmandu Holdings has disclosed it to the NZX and the ASX and has received confirmation of its release by the NZX and the ASX.

6.0 Disseminating announcements

After receiving NZX's and ASX's confirmation that an announcement has been released to the market, Kathmandu Holdings will disseminate the information as soon as possible by posting the announcement on Kathmandu Holdings' website (within 24 hours after receiving NZX's and ASX's confirmation).

The Group Chief Financial Officer must continuously review Kathmandu Holdings' website with a view to ensuring that it is up-to-date, complete and accurate in respect of recent announcements containing Material Information.

7.0 Pre-result periods

To prevent inadvertent disclosure of Material Information, during the periods leading up to, and between, the end of its financial reporting periods (31 July and 31 January) and the actual results release, Kathmandu Holdings will not discuss any financial information, broker estimates and forecasts, with institutional investors, individual investors, analysts, or the media unless the information being discussed has previously been disclosed to the NZX and the ASX (as required under those exchanges respective Listing Rules).

8.0 Media and market speculation

Kathmandu Holdings has a general "no comments" policy in relation to market speculation and rumours, which must be observed by employees at all times.

However, Kathmandu Holdings must promptly and without delay release Material Information to the market to the extent necessary to prevent development or subsistence of a market for its shares which is materially influenced by false or misleading information emanating from either Kathmandu Holdings, itself or another person in circumstances which would give the information substantial credibility. Accordingly, if Kathmandu Holdings considers that speculation or rumours concerning Kathmandu Holdings are likely to result in a false market arising, Kathmandu Holdings will make an appropriate market disclosure.

Employees who are approached by the media or any external parties for information must observe the "no comments" policy and notify an Authorised Person as soon as possible.

9.0 Briefings/meetings/conference calls with analysts or investors

Kathmandu Holdings conducts briefings with analysts and investors from time to time. Unless the board approves otherwise, such briefings will be conducted by Authorised Persons only, or persons approved by any Authorised Person.

Kathmandu Holdings' policy for conducting these briefings is not to disclose any information which is, or potentially is, Material Information, that has not been announced to the NZX and the ASX and the market generally. Also, Kathmandu Holdings does not permit selective disclosure of Material Information and all investors or analysts are to be treated in a fair and balanced manner.

Kathmandu Holdings will make a record of all discussions or meetings with investors or analysts unless a recording or transcript of the presentation is published. The Group Chief Financial Officer will review these records to check whether any Material Information has been inadvertently revealed.

10.0 Broker sponsored investor conferences

Kathmandu Holdings or its employees are from time to time invited to participate or present at broker sponsored investor conferences. The policy and protocols for Kathmandu Holdings' briefings apply equally to such conferences.

11.0 Responding to analyst reports and forecasts

Analysts frequently prepare reports on financial products of listed entities, including Kathmandu Holdings, which contain performance and financial forecasts. Kathmandu Holdings acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.

However, Kathmandu Holdings is independent, and will do all things necessary to be seen as independent, to analysts. Kathmandu Holdings will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to the NZX and the ASX and the market generally.

In particular, Kathmandu Holdings:

- a) will not generally comment on analyst forecasts or disclose its own earnings projections, however, it may comment on analyst reports by:
 - i. acknowledging the report's range of estimates; and
 - ii. correcting factual errors or assumptions where the relevant information has already been disclosed;
- b) will not include any analyst reports in its own corporate information, or post any analyst reports (including hyperlinks) on its website, but may use the reports internally;
- c) will include a disclaimer that Kathmandu Holdings is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and
- d) may consider issuing a profit warning/statement if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates.

If a draft report has been sent to Kathmandu Holdings for comments, it must be forwarded immediately to an Authorised Person.

12.0 Chatrooms and social media

Employees or associated parties must not participate in chat room or social media discussions where the subject matter relates to any part of The Group. Where use of social media platforms are approved by Kathmandu Holdings for The Group's legitimate business purposes such as marketing, the spokespersons must be approved by an Authorised Person or any person approved by an Authorised Person.

13.0 Inadvertent disclosure of information

If a director, senior manager, Disclosure Officer or employee at any time becomes aware that:

- a) there may have been inadvertent disclosure of Material Information (which has not been disclosed to the NZX and the ASX); or
- b) confidential information about Kathmandu Holdings may have been leaked (whatever its source),

he or she should immediately notify the Authorised Persons. In such a situation, Kathmandu Holdings will need to immediately issue a formal NZX and ASX announcement.

14.0 Trading halts

In certain circumstances, Kathmandu Holdings may need to request a trading halt from the NZX and the ASX to maintain the efficient trading of its financial products. Kathmandu Holdings' Authorised Persons will make all decisions in relation to trading halts and are the only personnel authorised to request a trading halt on behalf of Kathmandu Holdings.

15.0 Breach of policy

Kathmandu Holdings takes continuous disclosure very seriously. Any non-compliance with this policy must be reported to a Disclosure Officer, or an Authorised Person. Breaches of this policy may constitute “serious misconduct” resulting in disciplinary action being taken against the employee.

16.0 Further information

You should read this policy carefully and familiarise yourself with the policy and procedures detailed.

Kathmandu Holdings will review this policy regularly and any updates and amendments will be notified to you by Kathmandu’s Group Chief Financial Officer.

If you have any questions on the policy, or require further information, contact Chris Kinraid on +64 3 968 6244 or email at chris.kinraid@kathmandu.co.nz

Reviewed by the Board of Directors on 9 June 2020.