

Communications Strategy

Policy

This Policy is in accordance with Kathmandu Holdings Corporate Governance Standards and outlines ethical values and principals, which are essential to the Company's continued success and reflects the direction and approach in the conduct of our business activities.

1.0 Purpose

The Company is committed to effective communication with its shareholders, market participants, customers, employees, suppliers, financiers, creditors, other stakeholders and the wider community. The Company will seek to ensure that all stakeholders, market participants and the wider community are informed of its activities and performance.

The Company will endeavour to make publicly available all relevant information with a view to ensuring that trading in its shares takes place in an efficient, competitive and informed market.

This Communications Strategy contains the Company's approach and commitment to communication.

2.0 Policy

2.1 Confidentiality

Information that the Company considers private and that is not generally available outside the Company ("Confidential Information") and information that the Company owns, develops, pays to have developed or to which it has an exclusive right ("Proprietary Information") must be treated by the Company and all employees as follows:

- a) All Employees must ensure that they do not disclose any Confidential Information or Proprietary Information to any third party or other employee who does not have a valid business reason for receiving that information.
- b) If Confidential Information or Proprietary Information is required to be provided to third parties or other Employees for valid business purposes, such an Employee responsible for or in possession of such information must:
 - i. take adequate precautions to seek to ensure that information is only used for those purposes for which it is provided and is not misused or disseminated to the Company's detriment; and
 - ii. take steps to ensure that the information is returned or destroyed when the purpose is complete.

Such precautions include obtaining a confidentiality agreement or other undertaking. Advice about these measures can be obtained from the Company Secretary.

Any information concerning the Company which is not generally available and which may have a material effect on the price or value of the Company securities may need to be disclosed in order for the Company to comply with its continuous disclosure obligations referred to in its Continuous Disclosure Policy and in section 2.2 of this Communications Strategy.

2.2 Continuous disclosure

The Company is a public company listed on the NZX and the ASX (as a foreign exempt listing). It is subject to continuous disclosure requirements under the NZX Listing Rules, in addition to periodic and specific disclosure requirements.

A fundamental component of the Company's Communication Strategy is its continuous disclosure program. Refer to the Continuous Disclosure Policy for more information.

2.3 Communications with the NZX and the ASX

All communication with NZX and ASX will be in accordance with the NZX Listing Rules and the ASX Listing Rules respectively. The Company Secretary (or in their absence the Managing Director) is responsible for communications with NZX and ASX. Information communicated to NZX and ASX will also be placed on the Company's website. For further information refer to the Company's Continuous Disclosure Policy.

2.4 Communication with shareholders and the market

The Company's Communication Strategy is designed with the aim of ensuring that the Company:

- a) provides timely and accurate information equally to all shareholders and market participants regarding the Company including its financial situation, performance, ownership, strategies, activities and governance; and

- b) adopts channels for disseminating information that are fair, timely and cost efficient.

In addition to those policies and processes contained in the Continuous Disclosure Policy, the Company has implemented a number of processes to seek to ensure achievement of these goals.

2.4.1 Company Meetings

The meetings of shareholders of the Company ("Meetings") represent an excellent opportunity for the Company to provide information to its shareholders. The Company encourages attendance at, and participation in, company meetings.

A notice of a meeting ("Notice") will be sent to shareholders prior to meetings, including details of the time and place of the meeting, the resolutions to be considered and proxy voting procedures.

2.4.2 Information on the website

The Company's website is one of the cornerstones of the Company's Communication Strategy with shareholders and the market. All information released to NZX and ASX will be posted on the Company's website as soon as practicable after NZX and ASX has confirmed that it has received the information.

2.4.3 Briefings

The Company recognises the importance of the relationship between the Company and its institutional investors, brokers and analysts. The Company may from time to time conduct briefings to these groups. In these cases, the following protocols will apply:

- a) material information which is required to be disclosed under the Continuous Disclosure Policy will not be disclosed at these briefings unless it has been previously, or is simultaneously, released to the market;
- b) if material information which has not been disclosed is inadvertently released, the Company will immediately release it to the market via the stock exchange and place it on the Company's website;
- c) questions at briefings that deal with material information that has not previously been disclosed will not be answered; and
- d) the Company will place a copy of the presentation material on the Company's website.

2.4.4 Communication with Employees

The Company recognises that its Employees are central to the Company's success. In order to enable staff to fulfil their role to the high standards required and to promote employee satisfaction, the Company aims to ensure effective communication with employees. Effective communication with employees starts with their line manager and with accessibility to senior management.

Employee briefings

The Company will from time to time conduct employee briefings so that all staff are aware of activities within the Company. These briefings may be conducted by an appropriate manager or other person nominated by the Board.

2.4.5 Electronic communication

The Company's email system allows staff to communicate simply and easily with each other and with management. Employees who have access to this system and are encouraged to use it to improve the flow of information and communication generally. The Company will use email to seek to ensure a continued flow of the information and to communicate effectively with staff. Employees should feel free to communicate with any member of management by email.

2.4.6 Investor Website

The Company's investor website is an important communication tool for employees. It contains a range of information which relates to employees including relevant policies and codes, media and market announcements and presentations to shareholders and institutional investors. Employees are encouraged to view the website on a regular basis so that they can keep up to date with information concerning the Company.

2.5 Communications with other stakeholders

The Company aims to ensure that all stakeholders regularly receive information about the Company and its activities. While individual briefings may be held with key stakeholders, such as financiers, the principal means of seeking to ensure that stakeholders to have access to information will be through the Company's investor website.

2.6 Investor Website

The Company's investor website is the primary means to provide information to all stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

The following will be available on the Company's investor website:

- a) all announcements and releases to the NZX and the ASX;
- b) copies of presentations to shareholders, institutional investors, brokers and analysts where possible;
- c) any media or other releases;
- d) all notices of meetings and explanatory material;
- e) a copy of the Company's most recent annual report as well as previous annual, half yearly and quarterly reports;
- f) all of the Company' codes, policies and charters; and
- g) any other relevant information concerning non-confidential activities of the Company including business developments.

2.7 Additional information

If you have any questions arising from the Company's Communications Strategy, please contact the Company Secretary.

Effective Date: This policy is effective from the date of signing.

Approved: 

Date: 1 March 2010

Peter Halkett
Chief Executive Officer