

KATHMANDU HOLDINGS LIMITED
ASX/NZX
16 November 2015

Kathmandu CEO remuneration

Following a review of Executive remuneration to ensure alignment with creating shareholder value the Board of Kathmandu Holdings (ASX/NZX: KMD) wishes to clarify the CEO Long Term Incentive structure ahead of the Annual General Meeting to be held on Friday 20 November 2015.

Item 4 of the AGM seeks shareholder approval to grant performance rights to Chief Executive Officer, Xavier Simonet. As set out in the Notice of Meeting, vesting of performance rights is subject to a dual test of relative Total Shareholder Return (50%) and Earnings per Share growth (50%).

The Earnings per Share growth target represents a compound annual growth rate of 15% over a three year period. The target is intended to contain stretch elements which ensures alignment with value creation to shareholders.

The Board wishes to advise shareholders that as FY2015 is an unusually low measurement base, because of the underperformance of the company, it will exercise discretion and set the Earnings per Share growth target above that stipulated in the Notice of Meeting to ensure that there is an appropriate alignment between Executive remuneration and shareholder value.

The resolution in item 4 of the AGM will still be placed before shareholders at the AGM in its current form, however the Earning per Share growth target will be increased consistent with the Board's stated objective of ensuring alignment with value creation to shareholders.



Reuben Casey
Company Secretary

Investor enquiries to:	Media enquiries to:
David Kirk	Helen McCombie - Citadel Magnus
+61 2 9223 2234	+ 61 2 9290 3073

Kathmandu Holdings Ltd

11 Mary Muller Drive, Heathcote 8022
PO Box 1234, Christchurch 8140, New Zealand
Phone: +64 3 373 6110 **Fax:** +64 3 373 6116
kathmandu.co.nz

249 Park Street, South Melbourne, Victoria 3205
PO Box 984, South Melbourne, Victoria 3205, Australia
Phone: +61 3 9267 9999 **Fax:** +61 3 9267 9933
kathmandu.com.au