



PEOPLE DEVELOPMENT AND REMUNERATION SUB - COMMITTEE CHARTER

Purpose

The purpose of the sub-committee is to;

- Oversee the People strategy of Michael Hill International including the organisation structure, performance, succession planning, development and remuneration strategies and policies of the Group;
- Set performance goals for the Chief Executive Officer (CEO), review performance and make recommendations to the full Board regarding the CEO's performance and remuneration;
- Approve the remuneration recommendations made by the CEO for the Group Executives reporting to him/her;
- Participate in annual succession planning reviews and selection processes as required from time to time for the CEO and the CEO's direct reports.
- Monitor the gender diversity on the board and in the senior management group.

Composition

The Committee shall comprise a minimum number of 3 Directors with the CEO attending in an advisory capacity. The Board shall appoint the Chairperson of the Sub-Committee.

From time to time, the chairperson of the sub-committee shall be entitled to request that the committee meets without the presence of the CEO.

Responsibilities, Duties and Authority

The responsibilities of the sub-committee are as follows;

- Review annually the People strategy for MHI including
 - i) The organisation structure
 - ii) The performance management systems and processes
 - iii) the succession planning process and the capability development strategy for senior executives
- Review and approve annually the Company's remuneration policy, including any policies and practices relating to
 - i) Remuneration consultants providing market data and the methodology for comparison against the market.
 - ii) Executive total remuneration packages including short and long term reward components for senior management.
 - iii) participants in any options scheme or other long term incentives.
 - iv) The Company's superannuation arrangements.
 - v) Any amendments required to the short term and/or long term incentive scheme policy and/or rules.
 - vi) Employee Share schemes
- Finalise annual goals and KPI's for the CEO, review performance and make recommendations to the Board regarding the CEO's performance and any recommended adjustment to the CEO's remuneration annually.
- Review the performance ratings of the CEO's direct reports annually and approve any recommended adjustment to the CEO's direct reports remuneration packages annually.
- Review the remuneration of the Chairman, non – executive directors annually, by benchmarking, and seeking external advice if required, before recommendations to the Board and Shareholders as appropriate.
- Review potential successors to the CEO and the CEO's direct reports annually.
- Lead any selection process required from time to time for the role of CEO providing recommendations to the Board and participate in any selection process as required from time to time for the CEO's direct reports' roles.



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Authority

The sub-committee is authorized by the Board to investigate any activity covered by its functions and responsibilities. It is authorized to seek any information it requires from any employee and all employees shall be directed to cooperate with any request made by the sub-committee.

The Sub-Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

Secretarial and Meetings

A quorum for the transaction of business shall be three members.

The People and Remuneration sub-committee will meet as frequently as required.

If the appointed Chairperson of the Sub-committee is absent from a meeting of the sub-committee, the members of the sub-committee participating in that meeting may elect the chairperson for the meeting.

The Company Secretary shall act as Secretary of the sub-committee and will retain a complete record of the proceedings of the sub-committee including agendas, minutes, papers, proposals, advice and reports to the sub-committee.

The contemporaneous linking together by telephone or other means of instantaneous audio or audio-visual communication of sufficient members of the sub-committee to constitute a quorum and by which all the members participating can simultaneously hear each other throughout the meeting, shall be deemed to constitute a meeting of the sub-committee.

The Secretary in conjunction with the Chairperson, shall draw up the agenda. The agenda and committee papers shall be distributed to members at least one week prior to each meeting.

Review of the Sub-Committee

The Sub-committee shall undertake an annual review of its objectives and activities.

All Directors shall have unfettered access to the records of the sub-committee upon request to the Company Secretary.

Reporting Procedures

The minutes of all sub-committee meetings shall be circulated to all directors, and to other parties as the Board directs.