

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of shareholders of Michael Hill International Limited (the 'Company') will be held at the Stamford Plaza Hotel, 22 Albert St, Auckland, on Friday, 2 November 2012 commencing at 10.30 am.

Business

The business of the Annual Meeting will be:

1 Financial statements and reports

To receive and consider the Annual Report including the financial statements and the auditor's report for the year ended 30 June 2012.

2 Re-election of Michael Robin Parsell and Ann Christine Lady Hill as directors

To consider, and if thought fit, to re-elect Michael Robin Parsell and Ann Christine Lady Hill as directors of the Company by passing the following separate ordinary resolutions:

- a. "That Michael Robin Parsell be re-elected as a director of the Company."
- b. "That Ann Christine Lady Hill be re-elected as a director of the Company."

Murray Richard Doyle retires by rotation but does not seek re-election at the Annual Meeting.

See Explanatory Notes.

3 Election of Gary Warwick Smith as a director

To consider and if thought fit, to elect Gary Warwick Smith as a director of the Company by passing the following ordinary resolution.

"That Gary Warwick Smith be elected a director of the Company"

See Explanatory Notes.

4 Auditors

To record that the Company's auditors Ernst & Young are automatically reappointed as auditors pursuant to section 200 of the Companies Act 1993 and to consider, and if thought fit, to pass the following resolution:

"That the Directors be authorised to fix the remuneration of the auditors for the ensuing year"

5 Other business

To consider any other ordinary business that may be properly brought before the meeting.

Proxies

All shareholders are entitled to attend and vote at the Annual Meeting or to appoint a proxy to attend and vote in their place. A proxy need not be a shareholder of the Company. Individuals who are disqualified from voting on any resolution are unable to vote a discretionary proxy.

Enclosed with this Notice of Annual Meeting is a Proxy/Corporate Representative Form. For the appointment of a proxy to be valid, the form must be deposited at the offices of the Company's share registrar, Computershare Investor Services Limited, at either Private Bag 92119, Auckland 1142 or at Level 2, 159 Hurstmere Road, Takapuna, Auckland, or faxed to +64 9 488 8787, so as to be received no later than 48 hours before the start of the Annual Meeting (being no later than 10.30 am on Wednesday, 31 October 2012).

All of the Directors offer themselves as proxy to shareholders and, subject to the restriction that they cannot vote a discretionary proxy on a resolution if they themselves are disqualified from voting, will vote in favour of each of the resolutions put to the Annual Meeting unless otherwise directed.

For the first time, you will be able to appoint a proxy using Computershare's on line proxy system. See the on line Proxy form and instructions enclosed.

Postal voting is not permitted.

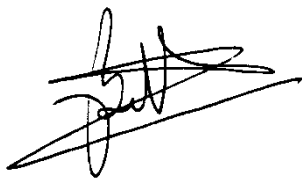
Corporate representatives

A corporation which is a shareholder may appoint a person to attend the Annual Meeting on its behalf in the same manner as that in which it could appoint a proxy. The Proxy/Corporate Representative Form must be signed on behalf of the company by a person acting under the company's express or implied authority.

Requisite majorities

In order for an ordinary resolution to be passed, an affirmative vote of a simple majority of more than 50% of the votes cast by those entitled to vote and who vote in person or by proxy is required. Each of the resolutions to be voted on by shareholders at the Annual Meeting is an ordinary resolution.

By order of the board of directors

A handwritten signature in black ink, appearing to be 'W. K. Butler', written over a horizontal line.

W. K. Butler
Company Secretary 19 September 2012

Explanatory Notes

Business Item 2 (Resolutions 1 and 2) – Re-election of Michael Robin Parsell and Ann Christine Lady Hill as directors

Michael Robin Parsell and Ann Christine Lady Hill are currently directors of the Company and retire by rotation in accordance with NZSX Listing Rule 3.3.11.

Each of the above directors, being eligible, offers himself/herself for re-election.

NZSX Listing Rule 3.3.11 requires a specified number of the Company's directors to retire from office on a rotational basis each year at the Company's Annual Meeting. The retiring directors are eligible for re-election at that same Annual Meeting. Those required to retire are those who have been longest in office since they were last elected or deemed elected.

Michael Robin Parsell is currently a director of the Company and was first appointed a director in 1989. He was last appointed to the Board on 6 November 2009.

Ann Christine Lady Hill is currently a director of the Company and was first appointed a director in 2001. She was last appointed to the Board on 7 November 2008.

Further details regarding Michael Robin Parsell and Ann Christine Lady Hill are contained in the Company's Annual Report which can be viewed in the Investor Centre at the Company's website: www.michaelhill.com. The Board does not consider Michael Robin Parsell or Ann Christine Lady Hill to be independent directors.

Director Recommendations

The other directors support the re-election of Michael Robin Parsell and Ann Christine Lady Hill as directors and recommend that shareholders vote to approve Resolutions 1 and 2.

Business Item 3 (Resolution 3) – Election of Gary Warwick Smith as a director

Gary Warwick Smith
(B.Com, Chartered Accountant, Fellow of the Australian Institute of Company Directors)

Following advice from Murray Doyle that he would not be seeking re-election at the Annual Meeting, the Board conducted a search for a replacement, the result of which was the selection of Gary Warwick Smith. He has been duly nominated for election by shareholders. If elected, it is proposed that he will chair the Audit Sub-Committee in place of Murray Doyle.

Gary Warwick Smith is based in Brisbane and is currently an independent non-executive director of Flight Centre Limited, where he is Chairman of the Remuneration Committee and a member of the Audit Committee. He was appointed in November 2007 to the Board of Flight Centre Limited, one of Australia's top 100 public companies by market capitalisation on the Australian Stock Exchange. Flight Centre Limited owns Australia's largest wholly owned retail travel agency network.

The Company operates in 14 countries with a total annual transaction value of over \$14 billion, more than 10,000 staff and many different brands encompassing Leisure (including Flight Centre, Escape Travel, Student Flights, Liberty Travel); Corporate (FCM Travel Solutions, CI Events); Online (flightcentrehotels.com, quickbeds.com) and Wholesale (Infinity Holidays, Travel Spirit Group).

He originally joined international accounting and consulting firm Arthur Anderson & Co in 1981 where he worked in the audit and corporate services area in Brisbane and spent time in the Los Angeles and Honolulu offices.

In 1996, Gary co- founded Tourism Leisure Corporation where he is Managing Director. The company operates several businesses within the tourism and leisure industries, including Kingfisher Bay Resort and Eurong Beach resorts on Fraser Island; Fraser Explorer Tours; Fraser Island Barges; Palace Adventures – a backpacker touring business based in Hervey Bay; and Twin Waters Golf Course on Queensland's Sunshine Coast.

From 2003 to 2007, he was an independent director of the then publicly listed Tourism Company S8 Limited, which over time grew to manage more than 20,000 holiday letting apartments in Queensland and acquired a number of Australian and New Zealand icon travel agencies including Harvey World Travel, Travelscene American Express and Gullivers Travel (NZ). S8 was acquired in January 2007 by MFS Limited. His former governance roles also included being Chairman of the Queensland Tourism Industry Council and being a director of Ecotourism Australia.

The Board considers Gary Warwick Smith will be an independent director.

Director recommendations

The other Directors support the election of Gary Warwick Smith as a Director and recommend that shareholders vote to approve Resolution 3.