

michael hill

INTERNATIONAL LIMITED

24 September 2014

Dear Shareholder

EMPLOYEE SHARE SCHEME – FINANCIAL ASSISTANCE

As you may be aware, the Company has an Employee Share Scheme (“Scheme”) pursuant to which it offers ordinary shares in the Company to certain employees. You will have received previous letters from the Company advising that it has repurchased ordinary shares through the New Zealand Stock Exchange’s order matching market for the purposes of the scheme.

On the 19th September 2014, the Company sold 96,907 ordinary shares to the following employees:

Dane Tombleson, Jin Kyoung Jung, Janette Thomas, Angela Hardy, Jeffrey Burnes, Kandippen Govender, Mark Modjeski, Reshad Oberlander, Gerald Lecomte, Mary Lang, Gordon Gasper, Eileen Brookes and Shauna Terry.

(“ the Purchasing Employees”)

The rules of the scheme provide for the Company to on sell ordinary shares to Purchasing Employees at a 10% discount to the weighted average price for the ordinary shares during the 10 working day period ending two working days immediately prior to the date on which the Company sends application forms to eligible employees, plus a deemed amount of brokerage calculated at 0.5% of the average price (“the Discount”). The Discount is deemed to be “financial assistance” under the Companies Act 1993. The purpose of this letter is to provide information to shareholders in relation to the provision of that financial assistance as required by the Companies Act 1993.

The Company provided the Discount in relation to 96,907 ordinary shares. After taking the discount into account Purchasing Employees paid \$109,500 for the ordinary shares. This is equivalent to an average acquisition price of \$1.13 per ordinary share.

The total amount of financial assistance provided in respect of the ordinary shares was \$11,628.

Yours faithfully



W.K. BUTLER

COMPANY SECRETARY