

DUPLICATE

In the High Court of New Zealand
Auckland Registry

CIV-2016-404-000978

In the matter of an application for approval of an arrangement under Part 15
of the Companies Act 1993

by **Michael Hill International Limited** a duly incorporated
company having its registered office at the offices of
Kensington Swan, Ground Floor, 18 Viaduct Harbour Ave,
Auckland

First Applicant

and **A.C.N. 610 937 598 Ltd** a company duly incorporated
pursuant to the laws of Queensland, Australia and having its
registered office at Metroplex on Gateway, 7 Smallwood
Place, Murarrie, Queensland 4172, Australia

Second Applicant

Interlocutory orders

Dated 3 June 2016

Next event date: 23 June 2016

Judicial officer: Asher J



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To: the first and second applicants

And to: any other person affected by the order

- 1 The interlocutory application for initial orders regarding an application under Part 15 of the Companies Act made by Michael Hill International Limited (the **Company**) and A.C.N. 610 937 598 Ltd (**MHI Australia**) on 12 May 2016, and amended on 24 May 2016 (**Application for Initial Orders**), and the interlocutory application for orders dispensing with service and representation made by the Company and MHI Australia on 12 May 2016, were determined by the Honourable Justice Asher on 3 June 2016.
- 2 The determination was made following a hearing held on 24 May 2016 and subsequent memorandum of counsel filed on 31 May 2016. G Fitzgerald and A Kissling appeared for the applicants.
- 3 The following orders were made:

Initial orders

Special Meeting of Shareholders

- a the Company may put to its shareholders for their approval, at a special meeting of shareholders (**Special Meeting**), a proposed scheme of arrangement (**Scheme**), as annexed to the accompanying originating application for orders approving an arrangement under Part 15 of the Companies Act 1993 (the **Application**), and as further outlined in a draft scheme booklet (**Scheme Booklet**), as annexed to the memorandum of counsel dated 31 May 2016 and filed in support of this Application.
- b the Special Meeting shall be held at Guineas 3 Room, Ellerslie Event Centre, 80 Ascot Avenue, Remuera, Auckland on 23 June 2016, commencing at 9:00am;
- c only persons who are registered as shareholders of the Company (**Shareholders**) at 5:00pm on 21 June 2016 shall be entitled to be represented and vote on the Scheme at the Special Meeting or at any adjournment(s) or postponement;



Notice of Special Meeting and Application

- d the Company will give notice of the Special Meeting by sending to each Shareholder, not less than 10 working days before the Special Meeting:
 - i the Scheme Booklet, including the following documents:
 - A a Notice of Special Meeting (**Notice**), with the text of the proposed resolutions that the Shareholders will be required to vote on at the Special Meeting, including the resolution to approve the Scheme (**Resolution**);
 - B an explanatory memorandum explaining the purpose for the Special Meeting, and the details of the Scheme;
 - C a letter from the Chair of the Company;
 - D a copy of the independent adviser's report;
 - ii a voting/proxy form for voting on the Resolution, and any other incidental forms related to the above;

(Shareholder Materials);

- e the Company will publish the Application and these interlocutory orders on its website and will send a copy of the Application and these interlocutory orders to any Shareholder who requests it (in hard or electronic copy as requested by that Shareholder) within 10 working days of receiving the request;
- f the Shareholder Materials will be in substantially the same form as annexed to the memorandum of counsel dated 31 May 2016 and filed in support of this Application, together with amendments as necessary or desirable, including any amendments required by KordaMentha (in respect of the independent adviser's report only), NZX, the Takeovers Panel, or any other regulatory body, provided that such amendments are consistent with the terms of these interlocutory orders;
- g the Shareholder Materials will be:
 - i released to NZX immediately before they are sent to Shareholders in compliance with the Company's continuous disclosure obligations; and



- ii published on the Company's website on the day they are sent to Shareholders.
- h the Shareholder Materials will be sent to the following persons:
 - i those Shareholders who are entitled to receive the Shareholder Materials in accordance with section 125(3) of the Companies Act; and
 - ii any director and auditor of the Company;
- i the Company will send the Shareholder Materials to Shareholders by ordinary post, except where Shareholders have elected to receive materials electronically and have provided an email address to the Company for receipt of documents electronically in their capacity as Shareholders, in which case the Company may send the Shareholder Materials to such Shareholders by email;
- j the following will not constitute a breach of these orders nor invalidate any resolution passed at the Special Meeting:
 - i an accidental omission by the Company to give the Shareholder Materials to the persons specified in paragraph h above; or
 - ii the non-receipt of the Shareholder Materials by those persons;

Voting by two separate interest classes

- k for the purposes of voting on the Resolution at the Special Meeting, the Shareholders are to be divided into two interest classes:
 - i Durante Holdings Pty Limited (**Hill HoldCo**); and
 - ii all other Shareholders.
- l the Resolution is to be put to Shareholders so that approval is required by:
 - i separate 75% majorities of those two interest classes entitled to vote and voting on the Resolution; and
 - ii a simple majority of all votes entitled to be cast on the Resolution;
- m Heffalump Holdings Limited, whilst comprising part of the interest class of 'all other Shareholders', shall not be entitled to vote on the Resolution at the Special Meeting;



Method of voting

- n Shareholders will be given the ability to vote at the Special Meeting by:
 - i attending the Special Meeting and voting in person; or
 - ii appointing a proxy to attend and vote in their place in accordance with the Company's constitution (**Constitution**);

Powers of amendment and adjournment

- o the Company and MHI Australia may amend the Scheme on their own accord, or as required by NZX, the Takeovers Panel, or any other regulatory body, at any time prior to or at the Special Meeting, and the Scheme so amended will be the Scheme to be submitted to Shareholders at the Special Meeting for approval;
- p the Chairperson of the Special Meeting is to be permitted to adjourn or postpone the Special Meeting without first needing to convene those meetings or to obtain any vote of Shareholders regarding the adjournment or postponement;
- q subject to as set out in these interlocutory orders, the Special Meeting is otherwise to be conducted in accordance with the provisions of the Companies Act 1993, the NZX Main Board Listing Rules, and the Constitution.

Novation of employee options

- r the Company will provide notice of the Application in writing to all relevant employees with employee options that will be part of the novation of employee options under the Scheme;

Reporting on the outcome of the initial orders and Special Meeting

- s the Company will, prior to the Court's consideration of the Application, file with this Court one or more affidavits verifying:
 - i the actions taken to comply with these interlocutory orders; and
 - ii the result of the voting on the Resolution by Shareholders entitled to vote and voting at the Special Meeting;



Leave

- t the Company is granted leave to apply to vary these interlocutory orders and to apply for such further interlocutory orders as may be necessary or appropriate at any time prior to the Court's determination of the Application;

Procedural Orders

- u permitting the Application to be filed in the Auckland Registry of the High Court;
- v dispensing with service of the Application for Initial Orders, the Application, and any other documents filed by the Company and/or MHI Australia on any other person or party;
- w dispensing with the need for representation in relation to the Application for Initial Orders;
- x dispensing with the sealing and service of any order made in the proceeding on any party or person, unless otherwise directed by the Court;
- y directing that the Court file in this proceeding not be inspected, searched, copied, or otherwise made available to any person pending further order of the Court; and
- z directing that the affidavit of Emma Jane Hill filed in this proceeding be kept confidential to the parties and their agents for the purposes of giving effect to the Scheme, pending disclosure of the information in the affidavit to Shareholders pursuant to these orders.

Dated this ^{3rd} day of June 2016


Deputy Registrar

S MILLS
DEPUTY REGISTRAR

