

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 Wednesday, 29 October 2014 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 2014.

2 Re-election of Sir Richard Michael Hill as a director, and election of Robert Ian Fyfe as a director - Resolutions 1 and 2.

To consider, and if thought fit, to re-elect Sir Richard Michael Hill as a director of the Company and to elect Robert Ian Fyfe as a director of the company by passing the following separate ordinary resolutions:

1. "That Sir Richard Michael Hill be re-elected as a director of the Company."
2. "That Robert Ian Fyfe be elected as a director of the Company."

Leslie Wayne Peters retires by rotation but does not seek re-election at the Annual Meeting.

See Explanatory Notes.

3 Auditors – Resolution 3

To record that the Company's auditors Ernst & Young are automatically reappointed as auditors pursuant to section 207T 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."

4 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 Monday, 27 October 2014).

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 those shareholders appointing proxies, you are encouraged 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.

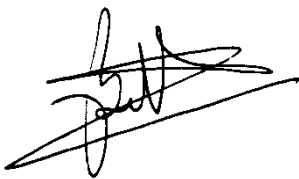
Corporate representatives

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 24 September 2014

Explanatory Notes

Business Item 2 (Resolutions 1 and 2) – Re-election of Sir Richard Michael Hill and election of Robert Ian Fyfe as a director.

Sir Richard Michael Hill is currently a director of the Company and retires by rotation in accordance with Main Board/Debt Market Listing Rule 3.3.11. Sir Richard Michael Hill, being eligible, offers himself for re-election.

Main Board/Debt Market 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.

Sir Richard Michael Hill is currently a director of the Company and was first appointed a director in 1987. He was last appointed to the Board on 4 November 2011.

Further details regarding Sir Richard Michael 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.

Robert Ian Fyfe was appointed a director of the Company by the Board on 6 January 2014 and in accordance with Main Board/Debt Market Listing Rule 3.3.6 must retire and offer himself for election by shareholders at this meeting. He is currently Chief Executive Officer and a director of New Zealand merino wool clothing company Icebreaker and a board director of Antarctica New Zealand. He served as Chief Executive Officer of Air New Zealand between 2005 and 2012, a period that saw a resurgence in Air New Zealand to become one of the most recognised and awarded airlines in the world and one of the best financial performers in a tough industry.

The Board considers Robert Ian Fyfe to be an independent director. The Board does not consider Sir Richard Michael Hill to be an independent director.

Director Recommendations

The other directors support the re-election of Sir Richard Michael Hill as a director and the election of Robert Ian Fyfe as a director and recommend that shareholders vote to approve Resolutions 1 and 2.

Leslie Wayne Peters is also currently a director of the Company and retires by rotation in accordance with Main Board/Debt Market Listing Rule 3.3.11. However, Leslie Wayne Peters has notified the Company that he does not seek re-election at the Annual Meeting.