

## ASX AND NZX ANNOUNCEMENT CEO RESIGNATION AND APPOINTMENT

For immediate release to the market

**Brisbane, 20 September 2018:** The Board of Michael Hill International (ASX and NZX: MHJ) today announces the appointment of Daniel Bracken as its new Chief Executive Officer, effective 15 November 2018. Michael Hill International's existing CEO, Phil Taylor has advised the Board that he has been diagnosed with a health issue and has decided to resign to focus on his treatment and recovery.

Daniel has more than 25 years of extensive experience in retail and fashion across many iconic brands, products, channels and geographies.

In his current role as Chief Executive Officer of Specialty Fashion Group, he most recently led the Company's restructure and successful divestment of the Millers, Katies, Crossroads, Autograph and Rivers brands, resulting in a significant improvement in shareholder value. Daniel also has international luxury brand experience with Burberry London, where he held a number of senior executive roles across Merchandise, Strategy and Transformation. He played an integral role in the Company's re-invention from a traditional wholesaler to an iconic digitally-led global retail brand. Daniel also previously worked as Deputy CEO of Myer and CEO of The Apparel Group, owners of the Sportscraft, Saba, Willow and JAG fashion brands.

Emma Hill, Chair of Michael Hill International, said the Board was excited to have secured such a high-calibre individual.

"Daniel's global experience and strong commitment to create engaged customer centric brands is aligned with the Board's commitment to see Michael Hill become a globally relevant leader in the premium jewellery category with a deep engagement and commitment to our customers and the communities we serve. We are confident that Daniel is the right candidate to successfully lead the company against the backdrop of a rapidly-changing retail environment."

Turning to Phil Taylor, Ms Hill said: "Phil has made an immense contribution to Michael Hill for over three decades. Phil's leadership during his period as CEO has been outstanding in what has been a period of recalibration and repositioning for the Company. Because of these changes, Michael Hill is a strong and resilient business today with a clear strategy and platform to deliver sustainable long-term growth.

"We are pleased that Phil will remain with the business in a consulting role for the duration of his six-month notice period to support Daniel. The board wishes Phil well for his recovery."

Daniel said: "I'm delighted to be joining a very talented team and a Company with the legacy and reputation of Michael Hill. It's one of the most recognised and iconic jewellery brands in Australia and New Zealand, and is experiencing strong growth in Canada. There are significant opportunities for retailers who can differentiate through product and brand, and I see enormous potential for the brand both in existing markets and to expand into new markets.

"Phil has done a tremendous job in leading this strategy and the business, and I look forward to building on this with the experienced leadership team in place."

For the purposes of the ASX and NZX Listing Rules, a summary of the terms of Daniel's employment agreement is attached as Annexure A.

An analyst briefing call will be held at 11:30am AEST 21 September 2018. Details are included in Annexure B.

ENDS

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**ABOUT MICHAEL HILL INTERNATIONAL**

Michael Hill International was founded by Sir Michael Hill in 1979 when he opened his first jewellery store in Whangarei, New Zealand. The Group has over 300 stores globally in Australia, New Zealand and Canada. The Group's global headquarters, including its wholesale and manufacturing divisions, are located in Brisbane, Australia. The Company is listed on the ASX (ASX:MHJ) and the NZX (NZX:MHJ).

For more information:

[www.investor.michaelhill.com](http://www.investor.michaelhill.com)

[www.michaelhill.com.au](http://www.michaelhill.com.au)

[www.emmaandroe.com.au](http://www.emmaandroe.com.au)

## ANNEXURE A - Terms of employment of CEO

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In accordance with ASX Listing Rule 3.16.4, Michael Hill International Limited (**MHJ**) makes the following disclosures in respect of the key terms of the executive services agreement entered into with its Chief Executive Officer, Mr Daniel Bracken (**Agreement**).

### Term of the Appointment

Mr Bracken has been appointed Chief Executive Officer, commencing with effect from 15 November 2018. The agreement contains a 6 month probationary period. The Agreement does not contain a fixed term.

### Remuneration

The remuneration payable to Mr Bracken will be:

- (a) Annual base salary - \$950,000 (inclusive of superannuation contributions);
- (b) Short term incentives (**STI**) - 70% of base salary payable in cash on performance of agreed MHJ profit targets (70% of STI) and other agreed annual key performance indicators (30% of STI).
- (c) Long term incentives (**LTI**) – an allocation of Share Rights on an annual basis to a value of 50% of the STI payment earned in the preceding year<sup>1</sup>. The Share Rights progressively vest<sup>2</sup> over a 4 year period from the date of issue and are retained on exiting the business in the event that Mr Bracken is deemed a 'Good Leaver' pursuant to the LTI Plan Rules.

### Termination

Either party may terminate the engagement on six months' notice. Otherwise, MHJ may terminate Mr Bracken's position for serious misconduct or professional negligence.

### Restraint

Mr Bracken will be restrained for up to 18 months following the cessation of his engagement with MHJ from soliciting business, customers, suppliers or employees of MHJ.

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<sup>1</sup> The number of Share Rights in each tranche, is based on the prescribed dollar value for each tranche divided by the volume weighted average share price of MHJ shares over 5 trading days following the MHI shares trading on an ex-dividend basis.

<sup>2</sup> On vesting each Share Right represents a right to receive one (1) ordinary share in the capital of the Company. No exercise price is payable upon the exercise of any Share Rights.

## **ANNEXURE B – Analyst briefing: conference call details**

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### **CONFERENCE INFORMATION**

**Conference Day:** 21<sup>st</sup> September 2018

**Time of Conference:** 1130hrs AEST

### **PARTICIPANTS DIAL-IN DETAIL**

All Participants will be asked for their full name & passcode when joining the call.

**Participants Analyst Passcode:** 94444260#

**Participants Dial-in:** **1800 093 431 or +61 2 8047 9393**

Australia Toll-Free: 1800 093 431

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