

MICHAEL HILL

INTERNATIONAL LIMITED

PEOPLE DEVELOPMENT & REMUNERATION COMMITTEE CHARTER

Michael Hill International Limited ACN 610 937 598 (Company)

PEOPLE DEVELOPMENT & REMUNERATION COMMITTEE CHARTER

1. Introduction

This charter sets out the role, responsibilities, composition, authority and membership requirements of Michael Hill International Limited's (**the Company**) People Development & Remuneration Committee (**Committee**).

2. Responsibilities

The Committee's primary function is to assist the Board in discharging its responsibilities by:

- Overseeing, reviewing and making recommendations to the Board in relation to:
 - Developing, implementing and monitoring a remuneration framework for directors and executive officers, and ensuring appropriate accountability
 - Group remuneration policies, ensuring they are aligned with the Group's purpose, values, strategic objectives and risk appetite
 - The development of the Company's statement of values and code of conduct to underpin the desired culture within the Group
 - The Company's remuneration framework for directors including the process by which any pool of directors' fees approved by security holders is allocated to directors
 - The total remuneration package to be awarded to senior executive (including fixed remuneration, performance-based remuneration, equity-based remuneration, termination benefits, retirement rights, service contracts and superannuation)
 - Equity-based remuneration plans for senior executives and other employees of the Group
 - Superannuation arrangements for directors, senior executives and other employees of the Group
 - Whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees
 - Any shareholder approvals which may be required in relation to the remuneration framework or remuneration packages.
- In developing the framework for executive remuneration, consider matters including that:
 - Senior executives should be remunerated by an appropriate balance of fixed remuneration and performance-based remuneration
 - Levels of fixed remuneration should be reasonable and fair, relative to the scale of the Group's business, and reflect role responsibilities and expectations
 - Any performance-based remuneration should be clearly linked to specific performance targets which are aligned to the Group's strategy, goals, short-term and long-term performance objectives and risk appetite
 - Equity-based remuneration should include appropriate hurdles that are aligned to the Group's longer-term performance objectives and be structured to minimise the possibility they lead to a short-term focus or undue risk-taking
 - Any termination payments for senior executives should be agreed in advance and not be apply in the case of removal for misconduct.
- Reviewing the remuneration, personnel and succession policies and practices (including the Diversity Policy) of the Group and making recommendations to the Board in respect of senior executive remuneration, reviewing the competitiveness of the Company's compensation programs and the effectiveness of such programs at retaining and motivating the Group's senior executives and aligning their interests with the long term interests of shareholders
- In developing the remuneration framework for directors, consider matters including:

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- Reviewing and approving the design of all equity-based plans including performance and other hurdles
 - Reviewing equity incentive plans in light of legislative, regulatory and market developments
 - ensuring that the equity-based executive remuneration is made in accordance with the plans approved by shareholders
 - Reviewing and approving total proposed awards under each incentive plan including to executive directors, executives and other employees (where applicable).
- Reviewing and approving:
 - Changes to the remuneration or contract terms of executive directors and senior executives
 - The design of new, or amendments to current, equity plans or cash-based incentive plans for senior executives
 - The total level of compensation proposed from equity plans or executive cash-based incentive plans.

3. Authority

The Board formally delegates and confers its powers to the Committee to perform the functions specified in this Charter.

Although the Board has delegated its powers and responsibilities to the Committee as specified in this charter, the Board retains ultimate accountability for discharging its duties.

4. Membership

The Committee will consist of at least three non-executive directors appointed by the Board, a majority of whom are independent. There is no prescribed term for membership of the Committee. The effect of ceasing to be a director is the automatic termination of that individual's appointment as a member of the Committee.

5. Chair

The Board will select a chairperson (**Committee Chair**) who is not the Chair of the Board.

The Committee Chair will report to the Board at the earliest possible Board meeting after each Committee meeting on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action.

Should the Committee Chair be absent from a meeting and no acting chairperson has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be chairperson for that particular meeting.

6. Invitees

Each director may attend Committee meetings but will have no voting rights unless he or she is a member of the Committee.

The MD&CEO and the Chief People Officer may be invited to form part of the Committee or to attend meetings of the Committee from time to time.

No non-Committee member attendee is entitled to attend that part of a meeting at which the remuneration of that individual or a related party of that individual is being decided.

7. Company Secretary

The Company Secretary will coordinate the timely completion and dispatch of the Committee agenda, minutes and materials for each meeting. The minutes of each Committee meeting will, following preliminary approval by the Committee Chair, be circulated to the Committee members.

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8. Access

The Committee will have unlimited access to officers and employees of the Company and its related bodies corporate. The Committee will also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company or its related bodies corporate and such officers or employees will be instructed by the Board to cooperate fully in the provision of such information. The Committee will also have the ability to interview Management where considered necessary and appropriate.

The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9. Meetings

The Committee will meet at such intervals as required to fulfil its obligations but must meet at least three times annually.

In addition, the Committee Chair is required to call a meeting of that Committee if requested to do so by any member of that Committee, the external auditors, the internal auditors, the Chair of the Board or another Board member.

A quorum will consist of two members.

Meetings may be held in any location and may be held by means of teleconference or videoconference, and decisions may be made by circular or written resolution.

10. Fees

A member of the Committee is entitled to receive remuneration as determined from time to time by the Board.

11. Review of the Charter

This charter will be reviewed annually by the Committee to ensure it remains consistent with that Committee's authority, objectives and responsibilities. Any amendment to this charter must be approved by the Board.