



# Notice of Annual General Meeting and Explanatory Memorandum

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**Michael Hill International Limited ACN 610 937 598**

Date of Meeting: Wednesday, 24 October 2018

Time of Meeting: 10:00am (Brisbane time)

Place of Meeting: PwC, Apollo 1 Room, Level 23, 480 Queen Street, Brisbane.



# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of **Michael Hill International Limited ACN 610 937 598 (Company)** will be held at PwC, Apollo 1 Room, Level 23, at 480 Queen Street, Brisbane, Queensland, on Wednesday, 24 October 2018 at 10:00am (Brisbane time).

## Agenda

### Ordinary business

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#### Financial Reports

To receive and consider the Company's 2018 Annual Report comprising the:

- (1) financial report;
- (2) Directors' Report; and
- (3) auditors' report,

for the financial year ended 30 June 2018.

### 2. Resolution 1: Remuneration Report (advisory Resolution)

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To consider and, if thought fit, pass the following advisory Resolution:

*"That, the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors' Report) is adopted."*

Terms used in this Notice of Meeting are defined in the Interpretation, section 8 of the accompanying Explanatory Memorandum.

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

#### **Voting Restriction Statement pursuant to section 250R(4) of the Corporations Act**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (1) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- (2) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) the voter is the chair of the meeting and the appointment of the chair as proxy:

## Notice of Annual General Meeting

- (A) does not specify the way the proxy is to vote on the resolution; and
- (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

### **Voting Intention of Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act and the Listing Rules.

In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### **3. Resolution 2: Re-election of Emma Jane Hill as a Director**

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Emma Jane Hill, who retires by rotation in accordance with Listing Rule 14.4 and Article 38.6 of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a Director.”*

### **4. Resolution 3: Re-election of Sir Richard Michael Hill as a Director**

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Sir Richard Michael Hill, who retires by rotation in accordance with Listing Rule 14.4 and Article 38.6 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”*

### **5. Resolution 4: Re-election of Janine Suzanne Allis as a Director**

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Janine Suzanne Allis, who retires by rotation in accordance with Listing Rule 14.4 and Article 38.6 of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a Director.”*

## **General business**

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To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated into and forms part of this Notice of Meeting. A detailed explanation of the background and reasons for the proposed Resolutions are set out in the Explanatory Memorandum.

### **By order of the Board**

Katherine Hammond  
Company Secretary

20 September 2018

## 1. Introduction

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This Explanatory Memorandum is provided to Shareholders of **Michael Hill International Limited ACN 610 937 598 (Company)** to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at PwC, Apollo 1 Room, Level 23, at 480 Queen Street, Brisbane, Queensland on Wednesday, 24 October 2018 commencing at 10:00am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 8.

## 2. Consider the Company's 2018 Annual Report

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The Company's 2018 Annual Report comprising the:

- (1) financial report;
- (2) Directors' Report; and
- (3) auditor's report,

for the financial year ended 30 June 2018 is scheduled to be released to the ASX Limited on or about 26 September 2018 and despatched to Shareholders on that date.

The Company's Annual Report is placed before the Shareholders for discussion in accordance with section 317 of the Corporations Act. The Company's external auditor, Ernst & Young, will be in attendance to respond to questions in relation to the conduct of the audit and the preparation and content of the auditor's report.

No voting is required for this item.

## 3. Resolution 1: Remuneration Report (advisory Resolution)

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The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out in the Directors' Report section of the 2018 Annual Report and is also available on the Company's website at [investor.michaelhill.com](http://investor.michaelhill.com). The Report, amongst other things:

- (1) explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- (2) explains the relationship between the Board's remuneration policy and the Company's performance;
- (3) sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options and share rights granted as part of remuneration; and
- (4) details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act and Listing Rules. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### **4. Resolutions 2, 3 and 4: Re-election of Directors**

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Listing Rule 14.5 and Article 38 of the Company's Constitution require that the Company hold an election of Directors at each annual general meeting. In addition, Listing Rule 14.4 and Article 38.6 provide that a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. A retiring Director is eligible for re-election at the AGM.

Accordingly, Emma Jane Hill, Sir Richard Michael Hill and Janine Suzanne Allis, each of whom would have held office as a Non-Executive Director for a continuous period of three years before the Company's next annual general meeting in 2019, retire in accordance with Article 38.6 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offer themselves for re-election as Non-Executive Directors.

Their respective details are set out below with reference to the relevant Resolutions.

##### **Resolution 2: Emma Jane Hill (Chair) B.Com, M.B.A**

Emma Hill was appointed to the Board on 9 June 2016.

Emma has over 30 years' experience with subsidiaries of the Company commencing on the shop floor in Whangarei, New Zealand. She held a number of management positions in the Australian company before successfully leading the expansion of the Group into Canada as Retail General Manager in 2002.

In 2011 Emma was appointed as Deputy Chair of the former New Zealand listed entity, Michael Hill NZ, and was appointed by the board as Executive Chair of Michael Hill NZ in December 2015. Emma holds a Bachelor of Commerce degree and an MBA from Bond University.

Emma is a Chair of the Board and a member of the People Development and Remuneration Committee.

The Directors (with Emma Hill abstaining) recommend that you vote in favour of this Ordinary Resolution.

##### **Resolution 3: Sir Richard Michael Hill K.N.Z.M.**

Sir Michael was appointed to the Board on 9 June 2016.

Sir Michael is the founder of Michael Hill Jeweller and was appointed as a director of the former New Zealand listed entity, Michael Hill NZ, on 30 March 1990. He had 23 years of

jewellery retailing experience before establishing Michael Hill in 1979, which then listed on the NZX in 1987.

Sir Michael's visionary leadership has been the foundation for the Company's successful international expansion. In 2008 he was recognised as Ernst & Young's 'Entrepreneur of the Year' and in 2011 was appointed a Knight Companion of the New Zealand Order of Merit for services to business and the arts. Sir Michael was appointed Founder President of Michael Hill NZ in 2015 in recognition of his special connection with Michael Hill for over 35 years.

Sir Michael led the Group as Chairman from 1987 until December 2015.

The Directors (with Sir Michael abstaining) recommend that you vote in favour of this Ordinary Resolution.

#### **Resolution 4: Janine Suzanne Allis**

Janine Allis was appointed to the Board on 9 June 2016.

Janine is the Founder and Executive Director of Retail Zoo Pty Ltd which currently owns three brands - Boost Juice, Salsa's Fresh Mex Grill and Cibo. The Retail Zoo network has over 500 stores in 13 countries.

Janine's strong retail experience was obtained by creating Boost Juice Bars and turning it into an iconic Australian brand with over 95% awareness rate in the Australian market. Drive and passion has translated into over \$2 billion in global sales from inception and has earned Janine many accolades, including Telstra Businesswoman of the Year, Amex Franchisor of the Year and ARA Retailer of the Year, she was inducted into the Australian Business Women Hall of Fame as well as BRW listing Janine in the top 15 people who have changed the way we do business in the last 20 years. Janine now shares her knowledge with others, including through her role as a 'Shark', investor and mentor on Channel Ten's Shark Tank.

Janine is a member of the Audit and Risk Management Committee.

The Directors (with Janine Allis abstaining) recommend that you vote in favour of this Ordinary Resolution.

## **5. Voting Entitlement**

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Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the shareholding of each Shareholder for the purpose of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Company's share register at 7pm AEST on Monday, 22 October 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **6. Proxy, representative and voting entitlement instructions**

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### **6.1 Proxies and representatives**

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a Shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the Shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a Shareholder of the Company.

The Company's Constitution provides that, on a show of hands, every Shareholder present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands but if you appoint two proxies, neither proxy may vote on a show of hands.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **lodged by**

- a) Mailing it to Computershare using the reply paid envelope.
- b) Posting it to GPO Box 242, Melbourne VIC 3001 Australia.
- c) Lodging it online at Computershare's website [investorvote.com.au](http://investorvote.com.au) and logging in using the control number found on the front of your accompanying proxy form, or scanning the QR code on the front of the accompanying proxy form with your mobile device and inserting your postcode:

Note: You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website.

- d) Faxing it to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- e) Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting [intermediaryonline.com](http://intermediaryonline.com)

Your completed proxy form (and any necessary supporting documentation) must be lodged online or received by Computershare no later than 10:00am (Brisbane time) on Monday, 22 October 2018 being 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to the Notice of Meeting.

## 6.2 **Signing instructions**

You must sign the proxy form as follows in the spaces provided:

- |                    |  |
|--------------------|--|
| Individual:        | Where the holding is in one name, the holder must sign.  |
| Joint Holding:     | Where the holding is in more than one name, any one of the security holders may sign.  |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to the proxy form when you return it.  |
| Companies:         | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. |

Otherwise the proxy form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

## 7. Results of the Meeting

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Voting results will be announced on the ASX as soon as practicable after the Meeting and will also be made available on the Company's website at investor.michaelhill.com.

## 8. Interpretation

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**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange;

**Board** means the board of Directors of the Company;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this definition;

**Company** means Michael Hill International Limited ACN 610 937 598;

**Constitution** means the constitution of the Company from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time;

**Director** means a director of the Company;

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**Group** means the Company and its subsidiaries (as that term is defined in the Corporations Act);

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

**Listing Rule** means the official listing rules of the ASX as amended from time to time;

**Meeting** or **Annual General Meeting** means the annual general meeting to be held on 24 October 2018;

**Michael Hill NZ** means Michael Hill New Zealand Limited Company Number 342863;

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum;

**NZX** means NZX Limited or the New Zealand Stock Exchange;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Resolution** means a resolution proposed at the Meeting;

**Shareholder** means a holder of Shares in the Company;

**Share** means an ordinary fully paid share in the issued capital of the Company.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Katherine Hammond (**Company Secretary**):

7 Smallwood Place Murarrie, Queensland 4172  
+61 7 3114 3500

Michael Hill International Limited  
ACN 610 937 598

## Lodge your vote:

  **Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



### Vote and view the Notice of Meeting online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 182056**

**SRN/HIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10:00am (Brisbane time) Monday, 22 October 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, any one of the securityholders may sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Michael Hill International Limited hereby appoint

the Chair of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Michael Hill International Limited (Company) to be held at **PwC, Apollo 1 Room, Level 23, 480 Queen Street Brisbane on Wednesday, 24 October 2018 at 10:00am (Brisbane time)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), if the Chair is a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Close Related Party of such a member, I/we expressly authorise the Chair to exercise my/our proxy on **Resolution 1** (except where I/we have indicated a different voting intention below) even though **Resolution 1** is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company or, if the Company is part of a consolidated entity, for the entity.

"Key Management Personnel" and "Closely Related Party" have the respective meanings given in the explanatory memorandum for the notice of meeting accompanying this proxy form.

**Important Note:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on any resolution by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Remuneration Report (advisory Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Emma Jane Hill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Sir Richard Michael Hill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Janine Suzanne Allis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Before completing your vote and returning by post, please consider using the preferred electronic voting option outlined on the front page of this form.**

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_