

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

**Without notice originating application for orders approving an
arrangement under Part 15 of the Companies Act 1993**

Dated *12 May 2016*

Next event date:

Judicial officer:

KENSINGTON SWAN

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Solicitor: Helen Brown/Gerald Fitzgerald
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To: the Registrar of the High Court at Auckland

This document notifies you that

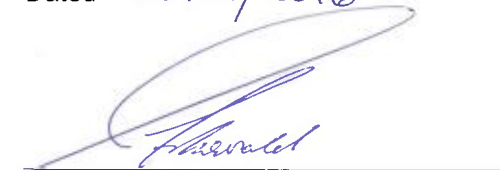
- 1 The first applicant, Michael Hill International Limited (the **Company**), applies for orders:
 - a Approving the scheme of arrangement (**Scheme**) between the Company and A.C.N 610 937 598 Ltd (**MHI Australia**) as annexed to this without notice originating application for orders approving an arrangement under Part 15 of the Companies Act 1993 (**Originating Application**).
 - b Declaring the Scheme to be binding upon the Company, all its shareholders (**Shareholders**), MHI Australia and all such other necessary persons, with the effect that:
 - i MHI Australia acquires from each Shareholder, other than Durante Holdings Pty Ltd (**Hill HoldCo**), all their shares in the Company in consideration for the issue by MHI Australia of MHI Australia shares to each such Shareholder on a one-for-one basis subject to and on the terms set out in the scheme booklet in respect of the Scheme;
 - ii the Company changes its name to 'Michael Hill New Zealand Limited';
 - iii MHI Australia will change its name to 'Michael Hill International Limited' when, and provided that, it is available under Australian law; and
 - iv all employee options are novated from the Company to MHI Australia on substantially the same terms except that the options will relate to MHI Australia shares in the place of shares in the Company,
 - c Dispensing with formal service on, and representation by, any person in respect of this proceeding or any application made under it.
- 2 The grounds on which each order is sought are as follows:
 - a the board of directors of the Company has resolved to apply to the Court for approval in respect of an arrangement under Part 15 of the Companies Act 1993 (the **Act**);
 - b if approved by the Shareholders, final orders in terms of section 236(1) of the Act will be required to make the Scheme binding;

- c by the date on which this Originating Application is determined:
 - f the Company and MHI Australia will have complied with any initial orders made by this Court, including those presently sought in a separate interlocutory application filed with this Originating Application;
 - ii all persons who might be affected by the Scheme will have received notice of it;
 - iii the Company shareholders will have been entitled to vote at a special meeting seeking their approval of the Scheme; and
 - iv the Takeovers Panel will have issued a no-objection statement in respect of the Scheme;
- d the Scheme is such that an intelligent and honest person of business acting in respect of his or her own interest would approve it;
- e the Scheme will not adversely impact the Company's creditors, or any of the Company's shareholders; and
- f as set out in the affidavit of Emma Jane Hill affirmed on 11 May 2016 and the memorandum of counsel filed with this originating application.

3 This application is made in reliance on upon sections 236, 236A, 236B, and 237 of the Act and upon rules 7.23 and 19.2(c) of the High Court Rules.

I certify that this application complies with the Rules.

Dated 12 May 2016



Helen Brown/Gerald Fitzgerald

Solicitor for the applicants

This document is filed by **Helen Anne Brown**, solicitor for the first and second applicants, of the firm Kensington Swan, Wellington. The address for service of the first and second applicants is 89 The Terrace, Wellington 6011.

Documents for service on the first and second applicants may be left at that address for service or may be:

- a posted to the solicitor at Kensington Swan, PO Box 10 246, Wellington 6143; or
- b emailed to the solicitor at helen.brown@kensingtonswan.com.

Scheme of arrangement pursuant to Part 15 of the Companies Act

1 Interpretation

1.1 In this document, unless the context otherwise requires:

'Application' means this without notice originating application for orders approving an arrangement under Part 15 of the Companies Act 1993.

'Company' means Michael Hill International Limited.

'Employee Options' means an existing option to acquire shares in the Company issued by the Company to members of its executive management team.

'Hill HoldCo' means Durante Holdings Pty Ltd.

'MHI Australia' means A.C.N 610 937 598 Ltd.

'Scheme Booklet' means the scheme booklet as annexed as exhibit **'EJH1'** to the affidavit of Emma Jane Hill filed in support of this Originating Application, including any amendments made to the scheme booklet in accordance with any interlocutory order made in these proceedings.

'Shareholder' means a shareholder of the Company.

2 Scheme

2.1 The Scheme provides that:

- a MHI Australia acquires from each Shareholder, other than Hill HoldCo, all their shares in the Company in consideration for the issue by MHI Australia of MHI Australia shares to each such Shareholder on a one-for-one basis subject to and on the terms set out in the Scheme Booklet;
- b the Company changes its name to 'Michael Hill New Zealand Limited';
- c MHI Australia will change its name to 'Michael Hill International Limited' when, and provided that, it is available under Australian law; and
- d all Employee Options are novated from the Company to MHI Australia on substantially the same terms except that the options will relate to MHI Australia Shares in the place of shares in the Company.

