

## ASX AND NZX ANNOUNCEMENT

### Remediation program to address historic Award compliance issues in Australia

**10 July 2019**

Michael Hill International Limited (ASX and NZX: MHJ or 'The Company') announces a full remediation program after an initial review of Australian retail employment contracts and rostering practices showed non-compliance with some requirements of the General Retail Industry Award for a number of the Company's store-based workforce in Australia.

The review, instigated by new CEO Daniel Bracken, was completed with the assistance of independent experts PriceWaterhouseCoopers. It revealed a historic misapplication of the Award across selected sample groups of team members over a number of years.

The Company has now commenced a more detailed review of all employee records, rostering practices and payments. While the more detailed review will be undertaken with urgency, due to the volume of data to work through and the complexity of the issues, we expect this program will still take several months to complete.

The remediation of these issues, which occurred over the last six financial years, is estimated to be a one-off cost in the range of \$10m to \$25m. It is not presently anticipated that rectification and remediation will have any material impact on the underlying earnings of the Company for FY20 or any future financial years.

**New Michael Hill International CEO, Daniel Bracken said:** "I'm committed to engaging with our team members transparently and with absolute integrity and fairness. When we identified there was an issue, I mobilised a team, supported by independent external experts, to determine the scale of the problem, identify the individuals affected and to ensure full compliance with the Award going forward".

"We will move as quickly as possible to rectify any under-payments with those team members affected. I will be in contact with all team members today to apologise on behalf of the Company and to provide an outline of the process we are following to establish who is impacted."

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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 currently has 306 stores globally across 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:

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