

# NON-EXECUTIVE DIRECTOR FEES POLICY

POLICY #2700

## 1. Purpose

Payments to Non-Executive Directors will be governed by a clear and rigorous framework and process to guide the Board, Committees and Directors to set Non-Executive Director fees efficiently, effectively and transparently for Michael Hill International Limited (Michael Hill).

This Non-Executive Directors remuneration policy has been developed to:

- Attract and retain Non-Executive Directors with skills, knowledge and experience aligned with Michael Hill values, purpose, goals, and strategic objectives.
- Ensure the focus of the Board is to enhance the interests of shareholders and other key stakeholders and ensuring Michael Hill is properly managed.
- Acknowledge, attract and retain Non-Executive Directors with the essential personal attributes suitable to serve as a Director of Michael Hill, including:
  - High standards of personal integrity and ethical behaviour
  - Critical and sound judgement and decision making; and
  - Strong interpersonal and communication skills.
- Acknowledge, attract and retain Non-Executive Directors with skills, knowledge and experience in the technical areas needed by the Board to carry out its management and oversight of Michael Hill, in the context of the retail sector and the challenges and opportunities that represents.
- Acknowledge the time commitment to prepare for and attend Board and Committee meetings and other Michael Hill activities.

## 2. Scope and application

This policy describes the remuneration policy for Non-Executive Directors appointed to Michael Hill.

## 3. Statement

### 3.1. Remuneration principles

This policy is intended to remunerate Non-Executive Directors appropriately in accordance with the following principles:

- Legal and corporate governance requirements, standards and market expectations.
- Remuneration will be aligned through reviews, to be conducted at least every three years, and more frequently as determined by the Board in its discretion, with the average market remuneration of comparable ASX-listed Australian companies being used as the market peer group.
- The total annual remuneration for Non-Executive Directors must stay within the Non-Executive Director fee pool as approved by shareholders
- Between market reviews, remuneration for base Non-Executive Director fees, Board Chair fee and Committee Chair fees will be increased annually by the lesser of the Wage Price Index (WPI) and Consumer Price Index (CPI) in Australia.
- Any change to Non-Executive Director fees will be effective from the commencement of the financial year.

### 3.2. Remuneration Details

- The fees are inclusive of any applicable superannuation and are in Australian Dollars (AUD).
- Director fees are paid quarterly in arrears, within two weeks of the end of the relevant quarter.
- Where Directors have nominated a preference to be paid in New Zealand Dollars (NZD), for those Directors payments will be converted from AUD to NZD using the monthly average currency conversion rate of the last month of the relevant quarter, as published by Australian Customs.

## 4. Accountability

The People Development and Remuneration Committee Chair has ultimate accountability for compliance with this policy.

## 5. Responsibilities

Responsibilities under this Policy are delegated as follows:

### 5.1. Responsible Person

The Chief People Officer (**Responsible Person**) is responsible for the development, implementation and ongoing review and oversight of procedures relevant to this policy.

### 5.2. Directors

All Directors are accountable for complying with this Policy and all ancillary processes and procedures.

## 6. Definitions

In this Policy, unless the context otherwise requires:

**Accountability** means the obligation to answer for an action; where an individual is held liable for meeting / not meeting agreed targets, objectives, their responsibilities, and the responsibilities for persons whom they are answerable for.

**Authority** means the level of control a person has over a certain task, situation or process. It may be inherent in a position, to give instructions that will be followed.

**Michael Hill** means Michael Hill International Limited including its subsidiaries and related bodies corporate.

**Responsibility** means the obligation to act; where an individual has been allocated a task to undertake, where a target or objective has been set in which the individual will be measured against.

## 7. Review

This Policy shall be reviewed at least every three years by the Chief People Officer.

## 8. Policy information

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