

Steinhoff International Holdings N.V.

REGULATIONS OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Adopted by the Supervisory Board on 1 December 2015

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1 Introduction

- 1.1** These regulations have been adopted by the Supervisory Board pursuant to clause 9.5 of the Regulations of the Supervisory Board.
- 1.2** The Human Resources and Remuneration Committee is a standing committee of the Supervisory Board.
- 1.3** These regulations are complementary to the provisions regarding the Supervisory Board and its Committees as contained in applicable laws and regulations and the Articles.
- 1.4** The terms used in these regulations shall have the same meaning as ascribed thereto in the Regulations of the Supervisory Board, except where expressly indicated otherwise.

2 Responsibilities

The Human Resources and Remuneration Committee shall be responsible for advising the Supervisory Board as well as preparing the decision-making of the Supervisory Board in relation to any of the responsibilities and proposed resolutions as referred to in clause 4.1 of these regulations.

3 Composition

- 3.1** The Human Resources and Remuneration Committee shall consist of at least three (3) members.
- 3.2** All members of the Human Resources and Remuneration Committee must be Supervisory Directors.
- 3.3** All members of the Human Resources and Remuneration Committee shall be independent within the meaning of clause 4.4 of the Regulations.
- 3.4** The members of the Human Resources and Remuneration Committee shall be appointed and may be replaced at any time by the Supervisory Board.
- 3.5** The Supervisory Board shall appoint one (1) of the members of the Human Resources and Remuneration Committee as chairman of the Human Resources and Remuneration Committee. The Human Resources and Remuneration Committee shall not be presided over by the Chairman or by a former Managing Director, or by a Supervisory Director who is a member of the management board or a managing director of another listed company.
- 3.6** The term of office of a member of the Human Resources and Remuneration Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and that of other Committees from time to time.
- 3.7** The Company Secretary shall act as secretary to the Human Resources and Remuneration Committee.
- 3.8** In absence of the Company Secretary, his duties and powers under applicable laws, as well as these regulations or the Articles, or parts thereof, are exercised by his deputy, to be designated by the Management Board subject to approval of the Supervisory Board.

4 Duties and powers

- 4.1** The Human Resources and Remuneration Committee has the following duties:

- 4.1.1 drafting proposals to the Supervisory Board for the remuneration policy, which policy, as well as any changes thereto, shall be submitted to the General Meeting for adoption by the General Meeting;
- 4.1.2 drafting a proposal for a framework regarding the remuneration of Senior Managers in the form of Shares or rights to subscribe for Shares which is to be submitted by the Supervisory Board to the General Meeting for its approval. The framework must, at a minimum, state the number of Shares or rights to subscribe for Shares that may be granted and the criteria that shall apply to the granting of such Shares or rights to subscribe for Shares or the alteration of such arrangements. Remuneration of Senior Managers in the form of Shares or rights to subscribe for Shares within the boundaries of the framework approved by the General Meeting shall be determined by the Supervisory Board upon proposal by the Human Resources and Remuneration Committee. Remuneration of Senior Managers in the form of Shares or rights to subscribe for Shares outside the framework so approved, shall be submitted by the Supervisory Board, upon proposal of the Human Resources and Remuneration Committee, to the General Meeting for its approval;
- 4.1.3 drafting proposals for the remuneration of the individual Managing Directors and the members of the executive committee designated as such in clause 6 of the Regulations of the Management Board (the Managing Directors and members of the executive committee together the “**Senior Management**” and each a “**Senior Manager**”) or changes or additions to such remunerations taking into account the remuneration policy adopted by the General Meeting and the framework regarding the remuneration of Senior Managers in the form of Shares or rights to subscribe for Shares; such proposals shall be submitted to the Supervisory Board and shall in any event, deal with:
 - (i) the remuneration structure;
 - (ii) the components of the remuneration package set forth in the remuneration policy adopted by the General Meeting (as amended from time to time);
 - (iii) if and to the extent applicable, other forms of compensation awarded; and
 - (iv) the performance criteria and their application.
- 4.1.4 prepare the remuneration report regarding the remuneration policy of the Company as drawn up by the Human Resources and Remuneration Committee (the “**Remuneration Report**”);
- 4.1.5 with regard to the Company’s Share based incentive plans:
 - (i) appoint trustees and compliance officers; and
 - (ii) approve amendments after prior consultation with the General Meeting;
- 4.1.6 approve the appointments and promotions of Senior Managers and their terms and conditions of employment or service other than with regard to the remuneration referred to under clause 4.1.3 of these Regulations and, if applicable, the terms and conditions of severance of employment or service of those persons;
- 4.1.7 review incidents of unethical behaviour by Senior Managers and key and senior executives of it's the Company’s Subsidiaries;

- 4.1.8** annually review the Company's code of conduct and propose amendments to the Management Board;
 - 4.1.9** annually appraise the performance of the Managing Directors and the Supervisory Directors (both as members of the Supervisory Board and as members of a specific Committee), and report the outcome of these appraisals to the Supervisory Board;
 - 4.1.10** review the regulations of the Company's significant Subsidiaries' remuneration committees annually as well as those committees' compliance with these regulations;
 - 4.1.11** undertake an annual assessment of the functioning of the Human Resources and Remuneration Committee, report these findings to the Supervisory Board;
 - 4.1.12** to prepare the decision-making of the Supervisory Board in relation to any of the responsibilities and proposed resolutions as referred to in this clause 4.1; and
 - 4.1.13** to supervise the policy of the Management Board on the selection criteria and appointment procedures for the Senior Management (other than Managing Directors), or other managers who report to the Management Board.
- 4.2** In drawing up the remuneration policy and offering advice to the Supervisory Board as referred to in clause 4.1 of these regulations, the Human Resources and Remuneration Committee shall ensure that the remuneration structure, including severance pay, shall be simple and transparent. It shall promote the interests of the Company in the medium and long term, shall take in consideration the position of the Company in the market, may not encourage Senior Managers to act in their own interests or take risks that are not compliant with the adopted strategy and may not 'reward' failing Senior Managers upon termination of their service.
- 4.3** The level and structure of the remuneration to be awarded to Senior Managers must be such that qualified and expert Senior Managers can be recruited and retained. When the overall remuneration is fixed, its impact on pay differentials within the enterprise shall be taken into account. If the remuneration consists of a fixed component and a variable component, the Supervisory Board shall ensure that the variable component shall be linked to pre-determined, assessable and objective targets, which are predominantly of a long-term nature. The variable component of the remuneration must be appropriate in relation to the fixed component. The proposals made by the Human Resources and Remuneration Committee for the remuneration policy shall at least address the subjects described in Sections 2:383c through 2:383e of the Dutch Civil Code, insofar as these relate to Managing Directors.
- 4.4** The Remuneration Report shall contain an account of the manner in which the remuneration policy has been implemented in the past financial year, as well as an overview of the remuneration policy that is foreseen by the Supervisory Board for the next financial year and subsequent years. The Remuneration Report shall explain how the chosen remuneration policy contributes to the achievement of the long-term objectives of the Company and the business connected with it in keeping with the risk profile. The Remuneration Report shall be posted on the Company's website either as a separate document or as part of the Management Report.

- 4.5** The Remuneration Report shall at least contain the following information:
- 4.5.1** an overview of the costs incurred by the Company in the financial year in relation to the Management Board's remuneration; this overview shall provide a breakdown showing fixed salary, annual cash bonus, Shares, rights to subscribe for Shares and pension rights that have been awarded and other emoluments; Shares, rights to subscribe for Shares and pension rights must be recognised in accordance with the accounting standards;
 - 4.5.2** for each Managing Director the maximum and minimum number of Shares conditionally granted in the financial year or other share-based remuneration components that the Managing Director may acquire if the specified performance criteria are achieved;
 - 4.5.3** a table showing the following information for incumbent Managing Directors at year-end for each year in which Shares, rights to subscribe for Shares and/or other share-based remuneration components have been awarded over which the Managing Director did not yet have unrestricted control at the start of the financial year, with respect to such Shares, rights to subscribe for Shares and/or other share-based remuneration components:
 - (i) the value and number on the date of granting;
 - (ii) the present status: whether they are conditional or unconditional and the year in which vesting period and/or lock-up period ends;
 - (iii) if and to the extent conditionally awarded, the value and number at the time the Managing Director obtains ownership of them (end of vesting period); and
 - (iv) to the extent applicable, the value and number at the time when the Managing Director obtains unrestricted control over them (end of lock-up period);
 - 4.5.4** if applicable: the composition of the peer group of companies whose remuneration policy determines in part the level and composition of the remuneration of the Managing Directors;
 - 4.5.5** a description of the performance criteria on which any right of the Managing Directors to Shares, rights to subscribe for Shares or other variable remuneration components is dependent;
 - 4.5.6** a summary and account of the methods that will be applied in order to determine whether the performance criteria have been fulfilled;
 - 4.5.7** an ex-ante and ex-post account of the relationship between the chosen performance criteria and the strategic objectives applied, and of the relationship between remuneration and performance;
 - 4.5.8** current pension schemes and the related finance costs; and
 - 4.5.9** agreed arrangements for the early retirement of Managing Directors.
- 4.6** The Human Resources and Remuneration Committee shall ensure that the main elements of the contract of a Managing Director with the Company shall be made public after it has been concluded, and in any event no later than the date of the notice convening the

General Meeting where the appointment of that Managing Director will be proposed, except if and to the extent the main elements have been disclosed in the Remuneration Report and/or the Management Report before such General Meeting. These elements shall at least include:

- 4.6.1 the amount of the fixed salary;
 - 4.6.2 the structure and amount of the variable remuneration component;
 - 4.6.3 any agreed redundancy scheme and/or severance pay;
 - 4.6.4 any conditions of a change-of-control clause in the contract with a Managing Director and any other remuneration components promised to the Managing Director; and
 - 4.6.5 pension arrangements and performance criteria to be applied.
- 4.7 If a Managing Director or a former Managing Director is paid severance pay or other special remuneration during a given financial year, an account and an explanation of this remuneration shall be included in the Remuneration Report.
- 4.8 The Human Resources and Remuneration Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and may never exercise powers beyond those exercisable by the Supervisory Board as a whole. The Supervisory Board remains collectively responsible for decisions prepared by the Human Resources and Remuneration Committee.
- 4.9 The Human Resources and Remuneration Committee shall be provided with the information it needs to perform its duties properly. The Human Resources and Remuneration Committee may be assisted by experts, officers or other external advisors. The reasonable costs of such assistance shall be for the account of the Company, provided that the Management Board has granted its approval thereto, which approval shall not unreasonable be withheld.
- 4.10 If the Human Resources and Remuneration Committee makes use of the services of a remuneration consultant in carrying out its duties, it shall verify that the consultant concerned does not provide advice to the Managing Directors.

5 Meetings

- 5.1 The Human Resources and Remuneration Committee shall meet as often as deemed necessary for the proper functioning of the Human Resources and Remuneration Committee. The Human Resources and Remuneration Committee shall meet at least twice (2) each financial year. Meetings shall, as much as possible, be scheduled annually in advance. The Human Resources and Remuneration Committee shall also meet earlier than scheduled if this is deemed necessary by the chairman of the Human Resources and Remuneration Committee, the Company Secretary, the Management Board or the Supervisory Board.
- 5.2 Meetings of the Human Resources and Remuneration Committee are in principle called by the chairman of the Human Resources and Remuneration Committee or the Company Secretary in consultation with the chairman of the Human Resources and Remuneration Committee. Save in urgent cases to be determined by the chairman of the Human Resources and Remuneration Committee the agenda for a meeting shall be sent to all members of the Human Resources and Remuneration Committee at least three (3)

calendar days before the meeting. For each item on the agenda an explanation in writing shall be provided, where possible, and/or other related documentation will be attached.

- 5.3** The chairman of the Human Resources and Remuneration Committee shall set the agenda and preside the meeting of the Human Resources and Remuneration Committee and shall also ensure and actively promote the proper functioning of the Human Resources and Remuneration Committee.
- 5.4** With due observance of these regulations, each member of the Human Resources and Remuneration Committee has the right to request that a Human Resources and Remuneration Committee meeting be called and/or that an item be placed on the agenda for a Human Resources and Remuneration Committee meeting. The Company Secretary shall assist in relation thereto.
- 5.5** Meetings of the Human Resources and Remuneration Committee may be held by means of an assembly of members of the Human Resources and Remuneration Committee in a formal meeting or by conference call, video conference or by any other means of communication, provided that all members of the Human Resources and Remuneration Committee participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.
- 5.6** The Human Resources and Remuneration Committee shall decide if and when a Managing Director should attend its meetings. A Managing Director shall not attend meetings of the Human Resources and Remuneration Committee where his own remuneration is discussed. In addition, the head of the HR department of the Company and/or independent experts may be invited to attend meetings of the Human Resources and Remuneration Committee. Each Supervisory Director may attend meetings of the Human Resources and Remuneration Committee.
- 5.7** The meetings of the Human Resources and Remuneration Committee shall be conducted in the English language.
- 5.8** The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the proceedings at the meeting of the Human Resources and Remuneration Committee. The minutes or report should provide insight into the decision-making process at the meeting. The minutes or report shall be adopted by the Human Resources and Remuneration Committee at the same meeting or, if it is not possible to adopt the minutes in the same meeting, at the next meeting.
- 5.9** The Human Resources and Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

6 Decision Making

- 6.1** The Human Resources and Remuneration Committee members shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.
- 6.2** Each Human Resources and Remuneration Committee member has the right to cast one (1) vote.
- 6.3** The Human Resources and Remuneration Committee may only adopt valid resolutions in a meeting if at least two (2) members of the Human Resources and Remuneration Committee are present at the relevant meeting in person.

- 6.4 Where unanimity cannot be reached and applicable laws, the Articles or these regulations do not prescribe a larger majority, all resolutions of the Human Resources and Remuneration Committee are adopted by a simple majority of the votes cast.
- 6.5 Resolutions of the Human Resources and Remuneration Committee can be adopted either in or outside a meeting. In general, resolutions of the Human Resources and Remuneration Committee are adopted in a Human Resources and Remuneration Committee meeting.
- 6.6 A resolution of the Human Resources and Remuneration Committee can be adopted in writing other than at a meeting, provided that the proposal concerned is submitted to all Human Resources and Remuneration Committee members and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all Human Resources and Remuneration Committee members then in office. In the next meeting of the Human Resources and Remuneration Committee held after such consultation of Human Resources and Remuneration Committee members, the chairman of that meeting shall set out the results of the consultation.

7 Reporting to the Supervisory Board

- 7.1 The Human Resources and Remuneration Committee must inform the Supervisory Board in a clear and timely manner about the way it has used delegated powers and of major developments in the area of its responsibilities.
- 7.2 The Supervisory Board shall receive a report from the Human Resources and Remuneration Committee of its deliberations and findings. The minutes of the meetings of the Human Resources and Remuneration Committee shall be circulated among all Supervisory Directors as soon as possible after the relevant meeting.
- 7.3 If requested, the chairman of the Human Resources and Remuneration Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Human Resources and Remuneration Committee.
- 7.4 All Supervisory Directors have unrestricted access to all records of the Human Resources and Remuneration Committee.

8 Miscellaneous

- 8.1 The chairman of the Human Resources and Remuneration Committee (or one of the other Human Resources and Remuneration Committee members) shall be available to answer questions regarding the Human Resources and Remuneration Committee's activities at the annual General Meeting.
- 8.2 The Human Resources and Remuneration Committee, in consultation with the Chairman, may occasionally decide not to comply with these regulations, with due observance of applicable laws and regulations.
- 8.3 The Human Resources and Remuneration Committee shall review and re-assess the adequacy of these regulations annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.
- 8.4 The Supervisory Board can at all times amend these regulations and/or revoke any powers granted by it to the Human Resources and Remuneration Committee.

- 8.5** Clauses 22.4 through 22.7 of the Regulations of the Supervisory Board shall apply by analogy to the Human Resources and Remuneration Committee.
- 8.6** The Management Report shall state the composition of the Human Resources and Remuneration Committee, the number of meetings held by the Human Resources and Remuneration Committee and the main issues discussed at these meetings.
- 8.7** These regulations and the composition of the Human Resources and Remuneration Committee shall be posted on the Company's website.

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