

Steinhoff International Holdings N.V.

## REGULATIONS OF THE MANAGEMENT BOARD

Adopted by the Management Board on 1 December 2015

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## **1 Introduction**

- 1.1** These Regulations have been adopted by the Management Board pursuant to article 16.2 of the Articles.
- 1.2** These Regulations are complementary to the provisions regarding the Management Board and the Managing Directors as contained in applicable laws and regulations and the Articles.
- 1.3** The meaning of certain capitalised or uncapitalised terms used in these Regulations is set forth in the list of definitions attached as **Schedule 1**.

## **2 Duties and powers of the Management Board**

- 2.1** The Management Board shall be entrusted with the management of the Company and the business connected with it, which means, among other things, that it is responsible for setting and achieving of the Company's objectives, strategy and the associated risk profile, the ensuing delivery of results and corporate social responsibility issues that are relevant to the Company. The Management Board is accountable for these matters to the Supervisory Board and the General Meeting. The responsibility for the management of the Company is vested collectively in the Management Board and each Managing Director is responsible for the general course of affairs.
- 2.2** The Management Board is responsible for compliance with all relevant laws, regulations, policies and the Dutch Corporate Governance Code, as amended from time to time, as well as for the corporate governance structure of the Company, managing the risks attached to the Company's activities and for financing the Company. The Management Board reports on these issues and discusses the internal risk management and control systems with the Supervisory Board and the Audit and Risk Committee.
- 2.3** When discharging its duties the Management Board shall act in accordance with the interests of the Company and the business connected with it, taking into consideration the interests of the Company's stakeholders.
- 2.4** The Management Board shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of its individual Managing Directors.
- 2.5** The Management Board shall supervise the financial reporting in accordance with clause 8 of these Regulations.
- 2.6** The Management Board is primarily responsible for:
  - 2.6.1** drafting of proposals regarding the short- and long term strategy of the Company;
  - 2.6.2** drafting of the annual budget of the Company, as well as – after adoption by the Management Board – the implementation thereof;
  - 2.6.3** the appointment and dismissal of members of the executive committees and managers who report to the Management Board;
  - 2.6.4** determining the remuneration of managers who report to the Management Board whereby the Management Board shall take into account the remuneration policy as adopted by the General Meeting and, to the extent applicable, proposal prepared by the Human Resources and Remuneration Committee;

- 2.6.5 formulating and communicating the Company's financial strategy;
- 2.6.6 overseeing and ensuring the integrity of the Company's financial statements;
- 2.6.7 the financial reporting of the Company;
- 2.6.8 taking part in meetings, when requested, of the Audit and Risk Committee to discuss:
  - (a) the integrity of the financial statements of the Company (including but not limited to the choice of accounting policies, application and assessments of the effects of new rules, information about the handling of estimated items in the annual accounts and forecasts);
  - (b) the qualifications, independence and remuneration of the External Auditor (without prejudice to the responsibilities of the Audit and Risk Committee in the area of finance, accounting and tax);
  - (c) the performance of tasks by the internal audit department of the Company and the External Auditor;
  - (d) the financial reporting process;
  - (e) the system of internal business controls and risk management (including but not limited to the effect of internal risk management and control systems);
  - (f) compliance by the Company with laws and regulations and applicable codes of conduct in the area of finance, accounting and tax;
  - (g) compliance by the Company with recommendations of the External Auditor and the Company's internal audit department;
  - (h) the financing of the Company and finance-related strategies; and
  - (i) the Company's tax planning; and
- 2.6.9 performing any other related duties as may be prescribed from time to time by the Management Board.

**2.7** The Management Board shall adopt a whistle-blower policy that enables employees to report alleged irregularities in the Company and its Subsidiaries of a general, operational and financial nature to the Chief Executive Officer or an official designated by him, without jeopardising their legal position (the "**Whistle-blower Policy**"). Alleged irregularities concerning the functioning of Managing Directors are reported to the CEO and all alleged irregularities concerning the functioning of the CEO are reported to chairman of the Supervisory Board.

**2.8** All transactions between the Company and individuals or companies who hold at least ten per cent. (10%) of the Shares must be agreed on terms that are customary for arm's-length transactions in the branch of business in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interests with such individuals or companies that are of material significance to the Company and/or to such individuals or companies require the approval of the Supervisory Board.

### **3 Composition; (re)appointment; resignation; other positions**

- 3.1** The Management Board shall consist of two (2) or more Managing Directors. If the number of Managing Directors in office is less than two (2), the authorities of the Management Board and of the remaining Managing Director shall continue to apply in full. If the number of Managing Directors is less than two (2), the Management Board will take measures forthwith to increase the number of Managing Directors. The Supervisory Board shall determine the exact number of Managing Directors.
- 3.2** Each Managing Director will be appointed for a term of not more than four (4) years. A Managing Director may be re-appointed for a term of not more than four (4) years at a time. There is no maximum aggregate term for Managing Directors.
- 3.3** Managing Directors are appointed by the General Meeting. An appointment shall be made upon a non-binding nomination made by the Supervisory Board with due observance of the provisions of the Articles.
- 3.4** The Supervisory Board may resolve to designate, for a term to be determined by the Supervisory Board, one (1) of the Managing Directors as chief executive officer (“**Chief Executive Officer**” or “**CEO**”), one (1) of the Managing Directors as chief financial officer (“**Chief Financial Officer**” or “**CFO**”) and one (1) of the Managing Directors as chief operational officer (“**Chief Operational Officer**” or “**COO**”), or to grant other titles to a Managing Director. A Managing Director can have more than one title.
- 3.5** A Managing Director may be suspended or removed by the General Meeting at any time. Suspension or removal shall be made upon a proposal made by the Supervisory Board with due observance of the provisions of the Articles.
- 3.6** Any suspension may be extended one (1) or more times, but may not last longer than three (3) months in aggregate. A Managing Director may not be suspended by the Supervisory Board.
- 3.7** On re-appointment of a Managing Director the provisions of this clause 3 and related provisions of the Articles regarding appointment of a Managing Director shall apply accordingly.
- 3.8** Managing Directors may not be a member of the supervisory board or non-executive director of more than two listed companies. A Managing Director may not concurrently serve as chairman of the supervisory board or one-tier board of a listed company. Membership of the supervisory board or one-tier board of an Affiliated Company does not count for this purpose. The acceptance by a Managing Director of membership of the supervisory board or a role as non-executive director of a listed company requires the approval of the Supervisory Board. Other important positions of a Managing Director shall be notified to the Supervisory Board.
- 3.9** As soon as the Company qualifies as a large company as referred to in Sections 2:132a and 2:142a of the Dutch Civil Code, the reference to “listed companies” in clause 3.8 of these Regulations shall include such qualifying large companies.

### **4 Remuneration**

- 4.1** The Company has a policy on the remuneration of the Senior Management. The policy shall be adopted by the General Meeting, on a proposal of the Supervisory Board. The

policy on remuneration shall in any case include the subjects referred to in Sections 2:383c up to and including 2:383e of the Dutch Civil Code, insofar as these relate to the Management Board.

- 4.2** With due observance of the policy referred to in clause 4.1, the remuneration and other conditions of employment for Senior Managers shall be determined by the Supervisory Board on the basis of a proposal or after having been advised by the Human Resources and Remuneration Committee within the scope of the remuneration policy adopted by the General Meeting in accordance with article 15.11 of the Articles.
- 4.3** A framework regarding the remuneration of Senior Managers in the form of Shares or rights to subscribe for Shares shall 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. 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 to the General Meeting for its approval.
- 4.4** The main elements of the contract of a Managing Director with the Company shall, after its conclusion, be published on the Company's website at the latest at the date of the notice convening an annual General Meeting at which the appointment of the Managing Director concerned shall be proposed, save if and to the extent these elements will have been disclosed before such General Meeting in the remuneration report regarding the remuneration policy of the Company as drawn up by the Human Resources and Remuneration Committee and/or in the Management Report. The elements disclosed shall at least include the amount of the fixed salary, the fixed remuneration component, the structure and amount of the variable remuneration component, any redundancy scheme and/or severance pay agreed, any conditions of a change of control clause in the contract with the Managing Director concerned and any other remuneration components promised to the Managing Director, pension arrangements and performance criteria to be applied.
- 4.5** Managing Directors shall not profit from the activities of the Company other than through remuneration as a Managing Director or through Shares held for the purpose of long-term investment and in accordance with the insider trading policy of the Company regarding securities of the Company and other securities referred to in that policy.
- 4.6** The Company and its Subsidiaries shall not grant personal loans, guarantees or the like to Senior Managers except within the framework of its usual business operations, on conditions which apply to all employees and with the approval of the Supervisory Board. Loans are not remitted.
- 4.7** Apart from their remuneration, Senior Managers shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings, the reasonableness of such costs being assessed by the Chief Executive Officer, with respect to the Chief Executive Officer, by the chairman of the Supervisory Board.

## **5 Collective responsibility and division of tasks**

- 5.1** The Management Board is itself responsible for the quality of its performance.

- 5.2** The Management Board remains collectively responsible for decisions, even if they are prepared and/or taken by individual Managing Directors. Individual Managing Directors may only exercise such powers as are explicitly attributed or delegated to them and they may never exercise powers beyond those exercisable by the Management Board as a whole.
- 5.3** The division of tasks within the Management Board is determined (and amended, if necessary) by the Management Board. One or more Managing Directors especially charged with particular managerial tasks are primarily responsible for the risk control and monitoring of the managerial tasks concerned.
- 5.4** Upon designation of the Chief Executive Officer or the Chief Financial Officer or the Chief Operational Officer in accordance with clause 3.4, the tasks he/she will be primarily responsible for will be determined by the Management Board.
- 5.5** Each Managing Director must inform the other Managing Directors in a clear and timely manner about the way in which he has used delegated powers and about major developments in the area of his responsibilities.
- 5.6** Each Managing Director shall also be entitled to obtain information from other Managing Directors and employees where he/she deems this useful or necessary, also having regard to his/her collective responsibility for the management of the Company.

## **6 Committees; Executive Committee**

- 6.1** The Management Board shall have an Executive Committee. The Management Board may establish such other Committees, standing or ad hoc, pertaining to the Management Board and the performance of its duties, as it may deem necessary.
- 6.2** The Management Board appoints the members of each Committee and determines the tasks of each Committee and may establish rules regarding its working methods and decision-making process. The Management Board may, at any time, change the duties and the composition of each Committee.
- 6.3** The Management Board remains collectively responsible for decisions prepared and/or taken by committees from among its members. A committee may only exercise such powers as are explicitly attributed or delegated to it by the Management Board and may never exercise powers beyond those exercisable by the Management Board as a whole.
- 6.4** Only the Managing Directors and of selected members of the senior management of the Group can be member of the Executive Committee. The members of the Executive Committee who are not Managing Directors are heads of divisions and are appointed by the Management Board. The Management Board may at any time suspend and dismiss a member of the Executive Committee who is not also a Managing Director. The Management Board retains the authority to adopt resolutions within the scope of authority of the Executive Committee without the participation of the members of the Executive Committee who are not also members of the Management Board. Members of the Executive Committee who are not also members of the Management Board may request that their views in respect of the relevant resolution(s) are included in the minutes of the relevant meeting of the Executive Committee.

- 6.5** The Management Board adopts management resolutions of the Company. These management decisions of the Management Board may be prepared in meetings of the Executive Committee.
- 6.6** Each Committee must inform the Management 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. All Managing Directors have unrestricted access to all Committee meetings and records. The Management Board shall ensure that it receives, within the term specified in the rules for the Committee concerned, a report from each Committee of its deliberations and findings.
- 6.7** The Management Board shall adopt regulations for each Committee and may amend these at any time. These regulations shall indicate the role and responsibility of the Committee concerned, its composition and the manner in which it performs its duties. The regulations for a Committee may contain more detailed rules on the composition of the Committee concerned.

## **7 Strategy and risks**

- 7.1** From time to time, the Management Board shall submit to the Supervisory Board for approval:
- 7.1.1** the operational and financial objectives of the Company;
  - 7.1.2** the strategy designed to achieve the objectives;
  - 7.1.3** the parameters to be applied in relation to the strategy, for example in respect of the financial ratios; and
  - 7.1.4** the corporate social responsibility issues that are relevant to the Company.
- The main elements will be mentioned in the Management Report.
- 7.2** The Management Board shall be responsible for ensuring that the Company has internal risk management and control systems that are suitable for the Company. The Management Board shall in any event employ as instruments of the internal risk management and control systems:
- 7.2.1** risk analyses of the operational and financial objectives of the Company;
  - 7.2.2** a code of conduct (or code of ethics);
  - 7.2.3** guides for the layout of financial reports and the procedures to be followed in drawing up the reports; and
  - 7.2.4** a system of monitoring and reporting.
- 7.3** The Management Board shall provide in the Management Report:
- 7.3.1** a description of main risks related to the strategy of the Company;
  - 7.3.2** a description of the design and effectiveness of the internal risk management and control systems for the main risks during the financial year; and
  - 7.3.3** a description of any major failings in the internal risk management and control systems which have been discovered in the financial year, any significant changes made to these systems and any major improvements planned, and a confirmation

that these issues have been discussed with the Audit and Risk Committee and the Supervisory Board.

## **8 Financial reporting; Annual Accounts and annual reporting**

- 8.1** The Management Board is responsible for the quality and completeness of publicly disclosed financial reports. The preparation and publication of the Management Report, the Annual Accounts, the quarterly and half-yearly figures and ad hoc financial information require careful internal procedures. The Management Board is responsible for establishing and maintaining internal procedures that ensure that all major financial information is known to the Management Board, so that the timeliness, completeness and accuracy of the external financial reporting are assured. For this purpose the Management Board shall ensure that financial information from business divisions and/or subsidiaries is reported directly to itself and that the integrity of that information is not compromised. The Supervisory Board shall ensure that the Management Board fulfils these responsibilities.
- 8.2** The Management Board shall release the Management Report and the Annual Accounts within four months of the end of the financial year.
- 8.3** The internal audit department operates under the responsibility of the Management Board. The Management Board shall consult with the External Auditor and the Audit and Risk Committee in drawing up the work schedule of the internal audit department. The Management Board shall ensure that the Audit and Risk Committee and the External Auditor also take cognisance of the findings of the internal audit department.
- 8.4** The Management Board shall ensure that the internal audit department shall have access to the External Auditor and the chairman of the Audit and Risk Committee.
- 8.5** The Management Board shall provide an overview of all existing or potential protective measures in the Management Report. The Management Board shall indicate in what circumstances it is expected that these potential protective measures may be used.

## **9 Company Secretary**

- 9.1** The Management Board shall be assisted by the Company Secretary, who shall be appointed by the Management Board subject to approval of the Supervisory Board. The Management Board shall be authorised to suspend and replace the Company Secretary at all times subject to the approval of the Supervisory Board.
- 9.2** All Managing Directors and Committees have access to the advice and services of the Company Secretary.
- 9.3** The Company Secretary sees to it that correct Management Board procedures are followed and that the obligations of the Management Board under applicable laws, as well as these Regulations or the Articles are complied with. The Company Secretary shall assist the Chief Executive Officer in the organisation of the affairs of the Management Board (the preparing and reporting of meetings, information etc.).
- 9.4** 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.

## **10 Frequency, notice, agenda and venue of meeting**

- 10.1** The Management Board shall meet as often as deemed necessary for the proper functioning of the Management Board. The Management Board shall meet at least once per two (2) months. Meetings shall, as much as possible, be scheduled annually as much as possible in advance. The Management Board shall also meet earlier than scheduled if this is deemed necessary by the Chief Executive Officer or the Company Secretary.
- 10.2** Meetings of the Board are in principle called by the Chief Executive Officer or the Company Secretary, in consultation with the Chief Executive Officer. Save in urgent cases to be determined by the Chief Executive Officer or, if the Chief Executive Officer fails to do so, the majority of Managing Directors, the agenda for a meeting shall be sent to all Managing Directors at least two (2) 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.
- 10.3** With due observance of these Regulations, each Managing Director has the right to request that a meeting of the Management Board be called and/or that an item be placed on the agenda for a Management Board meeting. The Company Secretary shall assist in relation thereto.
- 10.4** The meetings of the Management Board shall be conducted in the English language.
- 10.5** Meetings of the Management Board may be held by means of an assembly of Managing Directors in a formal meeting or by conference call, video conference or by any other means of communication, provided that all Managing Directors 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.

## **11 Attendance of and admittance to meetings**

- 11.1** A Managing Director may be represented at Management Board meetings by another Managing Director holding a proxy in writing. The existence of such authorisation must be proved satisfactorily to the Chief Executive Officer or, in his absence, the chairman of the meeting and the Company Secretary.
- 11.2** If a Managing Director is frequently absent from Management Board meetings he shall be called to account for this by the Chief Executive Office. In case the Chief Executive Officer is frequently absent from Management Board meetings, he shall be called to account for this by the chairman of the Supervisory Board.
- 11.3** The admittance to the meeting of persons other than Managing Directors and the Company Secretary, shall be decided by majority vote of the Managing Directors present at the meeting.

## **12 Chairman of the meeting; minutes or reports**

- 12.1** Management Board meetings shall be presided over by the Chief Executive Officer, or if no Chief Executive Officer has been designated or in his absence, by another Managing Director, designated by a simple majority of the votes cast by the Managing Directors present at the meeting.
- 12.2** The Company Secretary or any other person designated for such purpose by the chairman of the meeting shall draw up minutes or a report of the proceedings at the meeting. The

minutes or report should provide insight into the decision-making process at the meeting. The minutes or report shall be adopted by the Management Board at the same meeting, or the next meeting.

### **13 Decision-making**

- 13.1** The Managing Directors shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.
- 13.2** Each Managing Director has the right to cast one (1) vote.
- 13.3** Where unanimity cannot be reached and applicable laws, the Articles or these Regulations do not prescribe a larger majority, all resolutions of the Management Board are adopted by a simple majority of the votes cast. If there is a tie in voting, the proposal shall be deemed to have been rejected.
- 13.4** When determining how many votes are cast by Managing Directors or how many Managing Directors are present or represented, no account shall be taken of Managing Directors that are not allowed to take part in the discussions and decision-making by the Management Board pursuant to the laws of the Netherlands, the Articles or these Regulations.
- 13.5** Notwithstanding the provisions of applicable laws, the Articles and these Regulations, the resolutions of the Management Board listed in **Schedule 2** shall require the approval of the Supervisory Board. Any amendments or changes thereto shall require the approval of the Supervisory Board. The resolutions of the Management Board listed in **Schedule 3** shall require the approval of the General Meeting.
- 13.6** Resolutions of the Management Board can be adopted either in or outside a meeting. In general, resolutions of the Management Board are adopted in a Management Board meeting.
- 13.7** A resolution of the Management Board can be adopted in writing other than at a meeting, provided that the proposal concerned is submitted to all Managing Directors then in office in respect of whom no (potential) conflict of interests exist and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all relevant Managing Directors then in office. In the next meeting of the Management Board held after such consultation of Managing Directors, the chairman of that meeting shall set out the results of the consultation.

### **14 Conflicts of interests**

- 14.1** A Managing Director shall not:
  - 14.1.1** enter into competition with the Company or a Subsidiary;
  - 14.1.2** demand or accept (substantial) gifts from the Company or a Subsidiary for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
  - 14.1.3** provide unjustified advantages to third parties to the detriment of the Company or a Subsidiary; and

14.1.4 take advantage of business opportunities to which the Company or a Subsidiary is entitled for himself or for his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

14.2 A Managing Director having a conflict of interests as referred to in clause 14.4 or an interest which may have the appearance of such a conflict of interests (both a “**(potential) conflict of interests**”) shall immediately report any (potential) conflict of interest that is of material significance to the Company and/or to him to the chairman of the Supervisory Board and the other Managing Directors and shall declare the nature and extent of that interest and shall provide all relevant information, including information concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

14.3 The Managing Director concerned shall not take part in the assessment by the Supervisory Board whether a (potential) conflict of interests exists.

14.4 A (potential) conflict of interests exists, in any event, if in the situation at hand the Managing Director must be deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity, and if the Company intends to enter into a transaction with a company:

14.4.1 in which a Managing Director personally has a material financial interest;

14.4.2 which has a management board member or executive director who has a relationship under family law with a Managing Director; or

14.4.3 in which a Managing Director has a management or supervisory position.

14.5 All transactions in which there are conflicts of interests with Managing Directors shall be agreed on terms that are customary for arm’s-length transactions in the branch of business in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interests with Managing Directors that are of material significance to the Company and/or the relevant Managing Directors require the approval of the Supervisory Board.

14.6 A Managing Director shall not take part in the discussions and decision-making by the Management Board, if he has a direct or indirect personal interest therein that conflicts with the interests of the Company and the business connected with it. If as a result no resolution can be adopted, the resolution shall be adopted by the Supervisory Board.

## 15 **Vacancy or inability to act**

15.1 If a seat on the Management Board is vacant or a Managing Director is unable to perform his duties, the remaining Managing Directors or sole Managing Director shall be temporarily entrusted with the management of the Company.

15.2 If all seats on the Management Board are vacant or all Managing Directors or the sole Managing Director, as the case may be, are unable to perform their duties, the Supervisory Board shall be temporarily entrusted with the management of the Company, with the authority to designate one or more Supervisory Directors and/or one or more other persons who shall be temporarily entrusted with the management of the Company.

- 15.3** The Managing Director who in connection with a (potential) conflict of interests renounces to exercise certain duties and powers will insofar be regarded as a Managing Director who is unable to perform his duties as referred to in article 23 of the Articles.

## **16 Relation with the Supervisory Board**

- 16.1** The Management Board shall provide the Supervisory Board in due time with the information required for the performance of its duties.
- 16.2** At least once a year, the Management Board shall inform the Supervisory Board in writing of the main aspects of the strategic policy, the general and financial risks and the Company's management and auditing systems.
- 16.3** If a takeover bid for Shares or for the depositary receipts for Shares is being prepared, the Management Board shall ensure that the Supervisory Board is closely involved in the takeover process in a clear and timely manner.
- 16.4** If a takeover bid has been announced or made and the Management Board receives a request from a third competing bidder for information regarding the Company, the Management Board shall discuss such request without delay with the Supervisory Board.

## **17 Relation with the Shareholders**

- 17.1** The Management Board shall provide the General Meeting timely with all information required to exercise its powers.
- 17.2** The Management Board shall provide the General Meeting timely with all requested information, unless this would be contrary to an overriding interest of the Company. If the Management Board invokes an overriding interest, it shall state the reasons.
- 17.3** If price-sensitive information is provided during a General Meeting, or the answering of Shareholders' questions has resulted in the disclosure of price-sensitive information, this information shall be made public without delay.
- 17.4** The agenda of the General Meeting shall state the business to be discussed and the items that shall be put to the vote.
- 17.5** A proposal for approval or authorisation by the General Meeting shall be explained in writing. The Management Board shall in this explanation state all the facts and circumstances that are relevant for the approval or authorisation to be granted.
- 17.6** The Managing Directors shall be present at the General Meeting, unless they are unable to attend for important reasons.
- 17.7** The Management Board shall procure that each substantial change in the corporate governance structure of the Company or in the Company's compliance with the Dutch Corporate Governance Code, as amended from time to time, is submitted to the General Meeting for discussion under a separate agenda item.
- 17.8** The Management Board shall determine (and may from time to time change) the Company's policy on profit and reserves with the approval of the Supervisory Board. The Company's policy on profit and reserves (the level and purpose of the reserves, the amount of the profit distributions and the type of profit distributions) and any changes to this policy shall be dealt with and explained as a separate agenda item at the General Meeting.

- 17.9** A proposal to distribute profit shall be dealt with as a separate agenda item at the General Meeting.
- 17.10** The Management Board shall ensure compliance with all applicable laws and regulations related to the rights of the General Meeting and the rights of individual Shareholders with respect thereto.
- 17.11** If a serious private bid is made for a business unit or a participating interest and the value of the bid exceeds the threshold referred to in Section 2:107a, subsection 1(c), of the Dutch Civil Code, and the bid is made public, the Management Board shall, at its earliest convenience, make public its position on the bid and the reasons for this position.
- 17.12** Material amendments to the Articles, as well as proposals for the appointment of Managing Directors and Supervisory Directors, shall be presented separately to the General Meeting.
- 17.13** The Company shall provide Shareholders and others who have the right to vote the possibility to issue, prior to the General Meeting, voting proxies or voting instructions to an independent third party.
- 17.14** The Company shall adopt an outline policy on bilateral contacts with Shareholders.
- 17.15** The General Meetings shall be presided over in by the chairman of the Supervisory Board or, in his absence, the deputy-chairman of the Supervisory Board. In accordance with the Articles, the chairman of the General Meeting may also be designate in another way.
- 17.16** The Management Board shall endeavour that minutes of the proceedings at a General Meeting, as prepared by the Company Secretary, are made available to the Shareholders of the Company by publication on the Company's website no later than three (3) months after the end of the meeting, following which the Shareholders have another three (3) months in which to respond to the minutes. The minutes are then adopted in the manner provided for in the Articles by the Chairman and the Company Secretary. The provisions of this clause 17.16 may be disregarded if a notarial record will be prepared of the proceedings at the meeting. After adoption the minutes (or the minutes as laid down in a notarial record) are posted as soon as possible on the Company's website, in any case before the beginning of the first next held General Meeting. Also, resolutions adopted by the General Meeting are posted on the Company's website as soon as possible after the meeting, in any event before the beginning of the first next held General Meeting. In addition, the record of all resolutions adopted by the General Meeting shall be deposited at the Company's office for inspection by the Shareholders and the other persons with Meeting Rights. On application, each of them shall be provided with a copy of or an extract from the record, at not more than cost price.
- 17.17** The Management Board shall procure that all information which is relevant to Shareholders and other persons with Meeting Rights and which is required to publish or deposit pursuant to applicable laws is published in a separate section on the Company's website.

## **18 Relation with the works council**

As and when applicable, proposals of the Management Board requiring prior approval by the Supervisory Board and in respect of which the works council of a Group Company in the Netherlands has an advisory right or approval right must first be approved by the Supervisory Board. If granted, this approval will be deemed to have been given subject to a positive or neutral advice or approval, as the case may be, by the relevant works council.

## **19 Relation with analysts, the financial press and institutional and other investors**

- 19.1** The Management Board shall inform all Shareholders and other parties in the financial markets equally and simultaneously about matters that may affect the Share price. The contacts between the Management Board on the one hand and press and financial analysts on the other shall be carefully handled and structured and the Company shall not engage in any acts that compromise the independence of analysts in relation to the Company and vice versa.
- 19.2** Planned presentations to analysts and (institutional) investors and press conferences shall be announced in advance on the Company's website and by means of press release. To the extent practically possible, provisions shall be made for all Shareholder to follow these meetings and presentations in real time. Presentations shall be placed on the Company's website after these meetings.
- 19.3** In deviation of clause 19.2 and subject to applicable laws, the Management Board may hold (quarterly) meetings and presentations to certain analyst and/or (institutional) investors without announcement in advance on the Company's website or the possibility for all Shareholders to follow these meetings. Presentation shall be placed on the Company's website after these meetings.
- 19.4** The Company shall not in advance assess, comment on or correct (other than factually), analysts' reports and valuations.
- 19.5** The Company shall not pay any fee to any party for the carrying out of research for analysts' reports or for the production or publication of analysts' reports on the Company, with the exception of credit rating agencies.
- 19.6** Meetings with analysts, presentations to analysts, presentations to (institutional) investors and bilateral meetings with those investors will not take place during the 'closed periods' determined by the Company and published on its website (see the Company's 'Insider Trading Policy'), or shortly before the publication of the regular financial information (quarterly, half-yearly or annual reports).

## **20 Confidentiality**

- 20.1** No Managing Director shall, during his membership of the Management Board or afterwards, disclose in any way whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of a confidential nature, unless required by applicable laws.
- 20.2** A Managing Director is allowed to disclose the above information to Managing Directors as well as to staff members of the Company and of companies in which the Company holds a stake, who, in view of their activities for the Company and/or companies in which the Company holds a stake, should be informed of the information concerned. A Managing Director shall not in any way whatsoever utilise the information referred to above for his personal benefit.

## 21 Miscellaneous

- 21.1 Acceptance by Managing Directors.** Anyone who is appointed as a Managing Director must, upon assuming office, declare in writing to the Company that he accepts and agrees to the contents of these Regulations and pledge to the Company that he will comply with the provisions of these Regulations. The Management Board shall endeavour to ensure that each Managing Director currently in office and any future Managing Director shall comply or undertake to comply (as the case may be) with these Regulations.
- 21.2 Occasional non-compliance.** The Management Board may occasionally decide not to comply with these Regulations, with due observance of applicable laws and regulations.
- 21.3 Amendment.** With due observance of article 16.2 of the Articles, these Regulations may be amended by the Management Board at any time.
- 21.4 Interpretation.** In the event of lack of clarity or difference of opinion on the interpretation of any provision of these Regulations, the opinion of the chairman of the Supervisory Board shall be decisive.
- 21.5 Governing law and jurisdiction.** These Regulations are governed by the laws of the European part of the Netherlands. The competent court in Amsterdam, the Netherlands, has exclusive jurisdiction to settle any dispute arising from or in connection with these Regulations (including any dispute regarding the existence, validity or termination of these Regulations).
- 21.6 Complementarity to Dutch law and Articles.** These Regulations are complementary to the provisions governing the Management Board as contained in Dutch law, other applicable Dutch or EU regulations and the Articles. Where these Regulations are inconsistent with Dutch law, other applicable Dutch or EU regulations or the Articles, the latter shall prevail. Where these Regulations are consistent with the Articles but inconsistent with Dutch law or other applicable Dutch or EU regulations, the latter shall prevail.
- 21.7 Partial invalidity.** If one or more provisions of these Regulations are or become invalid, this shall not affect the validity of the remaining provisions. The Management Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these Regulations is, to the greatest extent possible, similar to that of the invalid provisions.
- 21.8 Website.** These Regulations and the composition of the Management Board shall be posted on the Company's website.

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## Schedule 1 List of definitions

1 In the Regulations of the Management Board, the following terms have the following meanings:

**“Affiliated Company”** means each legal entity belonging to the same group as the Company or in which the Company has a direct or indirect equity interest of more than ten per cent. (10%).

**“Annual Accounts”** means the annual accounts of the Company as referred to in Section 2:101 of the Dutch Civil Code.

**“Articles”** means the articles of association of the Company, as amended and restated from time to time.

**“Audit and Risk Committee”** means the audit and risk committee designated by the Supervisory Board.

**“Chief Executive Officer”** or **“CEO”** means the chief executive officer of the Company.

**“Chief Financial Officer”** or **“CFO”** means the chief financial officer of the Company.

**“Chief Operational Officer”** or **“COO”** means the chief operational officer of the Company.

**“Committee”** means each committee of the Management Board as referred to in clause 6 of the Regulations.

**“Company”** means Steinhoff International Holdings N.V., and, where appropriate, the Subsidiaries and possible other Group Companies, whose financial information is incorporated in the consolidated annual accounts of the Company.

**“Company Secretary”** means the company secretary of the Company.

**“Executive Committee”** means the executive committee designated as such in clause 6 of the Regulations.

**“External Auditor”** means the organisation in which certified public accountants cooperate, as referred to in Section 2:393, subsection 1, of the Dutch Civil Code, that is charged with the audit of the Annual Accounts.

**“Human Resources and Remuneration Committee”** means the human resources and remuneration committee designated by the Supervisory Board.

**“General Meeting”** means the body of the Company consisting of the person or persons to whom, as a Shareholder or otherwise, voting rights attached to Shares accrue, or (as the case may be) a meeting of such persons (or their representatives) and other persons with Meeting Rights.

**“Group”** means the Company and the Group Companies.

**“Group Company”** means a group company of the Company as referred to in Section 2:24b of the Dutch Civil Code.

**“in writing”** means transmitted by letter, telecopier, telefax or e-mail, or any other electronic means of communication, provided the relevant message is legible and reproducible.

**“Management Board”** means the management board of the Company.

**“Management Report”** means the management report of the Company drawn up by the Management Board, as referred to in Section 2:101 of the Dutch Civil Code.

**“Managing Director”** means a member of the Management Board.

**“Meeting Rights”** means the right to be invited to General Meetings and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with the Articles.

**“Ordinary Share”** means an ordinary share in the capital of the Company.

**“(potential) conflict of interest”** has the meaning attributed thereto in clause 14.2 of the Regulations.

**“Preference Share”** means a non-cumulative financing preference share in the capital of the Company.

**“Regulations”** means the regulations of the Management Board, including the schedules belonging thereto, each as amended and restated from time to time.

**“Senior Management”** means the Managing Directors and the members of the Executive Committee together and a reference to **“Senior Manager”** shall be a reference to any member of the Senior Management;

**“Shareholder”** means a holder of one or more Shares.

**“Shares”** means a share in the capital of the Company. Unless the contrary is apparent this shall include each Ordinary Share and each Preference Shares.

**“Subsidiary”** means a subsidiary of the Company as referred to in Section 2:24a of the Dutch Civil Code.

**“Supervisory Board”** means the supervisory board of the Company.

**“Supervisory Director”** means a member of the Supervisory Board.

**“Whistle-blower Policy”** means the whistle-blower policy established by the Board as referred to in clause 2.7 of the Regulations.

**2** Save where the context dictates otherwise, in these Regulations:

- (a) words and expressions expressed in the singular form also include the plural form, and vice versa;
- (b) words and expressions expressed in the masculine form also include the feminine form; and
- (c) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing statutory provisions that may apply from time to time.

**3** Headings of clauses and other headings in the Regulations are inserted for ease of reference and do not form part of the Regulations concerned for the purpose of interpretation.

## **Schedule 2**

### **Supervisory Board Approval Rights**

Notwithstanding the provisions of applicable law, the Articles and the Regulations, the following resolutions of the Management Board shall require the approval of the Supervisory Board:

1. to propose to the General Meeting to issue Shares or grant rights to subscribe for Shares, as well as to limit or exclude pre-emptive rights, or, as applicable, to propose to the General Meeting to designate the Management Board as the body of the Company authorised to issue Shares or grant rights to subscribe for Shares, as well as to limit or exclude pre-emptive rights or, if allowed, withdraw such designation;
2. to propose to the General Meeting to authorise the Management Board to acquire own Shares or depositary receipts thereof;
3. to propose to the General Meeting to reduce the Company's issued capital;
4. to cooperate in the issuance of depositary receipts for Shares;
5. to appoint or replace the Company Secretary as well as to determine or, as applicable, amend the duties and powers of the Company Secretary or his deputy;
6. to determine or, as applicable, amend the operational and financial objectives of the Company;
7. to determine or, as applicable, amend the strategy designed to achieve the objectives of the Company;
8. to determine or, as applicable, amend the parameters to be applied in relation to the strategy, for example in respect of the financial ratios;
9. the corporate social responsibility issues that are relevant to the Company;
10. to adopt or, as applicable, amend the Company's policy on profit and reserves;
11. to appropriate the Company's profit during a financial year – the positive balance on the profit and loss account – wholly or partly to increase and/or form reserves of the Company or, as applicable, allocate any losses incurred in a financial year;
12. to make any interim distributions and/or to make any distributions at the expense of any reserve of the Company or, as applicable, propose to the General Meeting to make a distribution of profit;
13. to determine, at the time of issue of Preference Shares, the premium that shall be paid on each Preference Share concerned to be calculated over the amount to be distributed per Ordinary Share in a financial year;
14. to propose to the General Meeting to amend the Articles, change the corporate form, enter into a statutory merger or statutory demerger or dissolve the Company;
15. the acquisition, disposal and shutting down of participations, companies and businesses, the value of which exceeds a threshold of one-third (1/3) of the total asset value of the Company;
16. the acquisition, disposal and encumbrance of real estate exceeding a threshold of one-third (1/3) of the total asset value of the Company;

17. the issuance of bonds or entering into or conclusion of loan or credit agreements or granting of guarantees, suretyships or acceptance of liabilities in favour of third parties outside the ordinary course of business that exceed the higher threshold of (i) one third (1/3) of the total asset value of the Company or (ii) one third (1/3) of the market capitalisation of the Company.

### **Schedule 3**

#### **General Meeting Approval Rights**

Notwithstanding the provisions of applicable laws, the Articles and the Regulations, the following resolutions of the Management Board entailing a significant change in the identify or character of the Company or the business connected with it, as referred to Section 2:107a, subsection 1, of the Dutch Civil Code, shall require the approval of the General Meeting:

1. the transfer of (nearly) the entire business of the Company to a third party;
2. entering into or terminating long-term co-operations of the Company or a Subsidiary with an other legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the Company; and
3. acquiring or disposing by the Company or a Subsidiary of participating interests in the capital of a company, with a value equal to at least one-third of the sum of the assets of the Company as shown on its balance sheet with explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet with explanatory notes according to the last adopted annual accounts of the Company.

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