

Steinhoff International Holdings N.V.

REGULATIONS OF THE GOVERNANCE, SOCIAL AND ETHICS
COMMITTEE

Adopted by the Supervisory Board on 30 August 2018



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1 Introduction

- 1.1** The GSE Committee is a voluntary committee of the Supervisory Board established in accordance with clause 9.1 of the Regulations of the Supervisory Board.
- 1.2** These regulations have been adopted by the Supervisory Board pursuant to clause 9.5 of the Regulations of the Supervisory Board.
- 1.3** The GSE Committee will act as the Steinhoff Group's Governance, Social and Ethics Committee and will include and receive reports from its Subsidiaries.
- 1.4** These regulations are complementary to the provisions as contained in applicable laws and regulations.
- 1.5** 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 Role and responsibilities

The GSE 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 of these regulations.

3 Composition

- 3.1** The GSE Committee shall consist of at least three (3) Supervisory Directors.
- 3.2** The members of the GSE Committee shall be appointed and may be replaced at any time by the Supervisory Board.
- 3.3** The Supervisory Board shall appoint the chairperson of the GSE Committee.
- 3.4** The Company Secretary shall act as secretary to the GSE Committee.
- 3.5** 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 any other person designated for such purpose by the chairperson of the meeting.

4 Duties and responsibilities

- 4.1** The GSE Committee has the following duties and responsibilities:

4.1.1 to monitor the activities of the Group, relating to:

- (i) social & economic development;
- (ii) good corporate citizenship;
- (iii) the environment, health and public safety;
- (iv) consumer relationships; and
- (v) labour and employment;

in respect of which the relevant Group entities will report to the Committee in accordance with Annex 1 (Divisional Reporting Policy),

- 4.1.2 to monitor the reporting lines within the Group;
 - 4.1.3 to receive and review the whistleblowing reports;
 - 4.1.4 to monitor implementation of and compliance with the Group's Code of Conduct;
 - 4.1.5 to monitor the Group's Corporate Social Responsibility; and
 - 4.1.6 to monitor ethical behaviour within the Group's supply chain.
- 4.2** The GSE Committee shall be provided with the information it needs to perform its duties properly. Without prejudice to previous sentence, each GSE Committee member has its own responsibility for obtaining all (additional) information from the Management Board, the internal audit department, the external auditor and the employee participation body necessary for the due performance of its supervisory duties. The GSE Committee may retain or may be assisted by experts, officers or other external advisors. The reasonable costs of such assistance shall be for the account of the Company.
- 4.3** The GSE 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 GSE Committee.

5 Meetings

- 5.1** The GSE Committee shall meet as often as deemed necessary for the proper functioning of the GSE Committee. The GSE Committee shall meet at least twice (2) each financial year. Meetings shall, as far as possible, be scheduled annually in advance. The GSE Committee shall also meet earlier than scheduled if this is deemed necessary by any of the members of the GSE Committee.
- 5.2** Meetings of the GSE Committee are in principle called by the chairperson of the GSE Committee, or the Company Secretary, in consultation with the chairperson of the GSE Committee. Save in urgent cases to be determined by the chairperson of the GSE Committee the agenda for a meeting shall be sent to all members of the GSE 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 chairperson of the GSE Committee, in consultation with the Company Secretary, shall set the agenda and preside the meeting of the GSE Committee and shall also ensure and actively promote the proper functioning of the GSE Committee.
- 5.4** With due observance of these regulations, each member of the GSE Committee has the right to request that a GSE Committee meeting be called and/or that an item be placed on the agenda for a GSE Committee meeting. The Company Secretary shall assist in relation thereto.
- 5.5** Meetings of the GSE Committee may be held by means of an assembly of members of the GSE Committee in a formal meeting or by conference call, video conference or by any other means of communication, provided that all members of the GSE 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 GSE Committee shall decide if and when a Managing Director should attend its meetings. In addition, the GSE Committee may require that officers of the Company and/or independent experts attend meetings of the GSE Committee. Each Supervisory Director may attend meetings of the GSE Committee. A representative of the Social & Ethics Committee of Steinhoff Investment Holdings Limited shall have a standing invitation to attend meetings of the Committee.
- 5.7** The meetings of the GSE Committee shall be conducted in the English language.
- 5.8** The Company Secretary or any other person designated for such purpose by the chairperson of the meeting shall draw up minutes of the proceedings at the meeting of the GSE Committee. The minutes or report should provide insight into the decision-making process at the meeting. The minutes or report shall be submitted for adoption by the GSE Committee at the next meeting.

6 Decision Making

- 6.1** The GSE Committee members shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.
- 6.2** Each GSE Committee member has the right to cast one (1) vote.
- 6.3** The GSE Committee may only adopt valid resolutions in a meeting if at least two (2) members of the GSE Committee are present at the relevant meeting in person.
- 6.4** Where unanimity cannot be reached, all resolutions of the GSE Committee are adopted by a simple majority of the votes cast.
- 6.5** Resolutions of the GSE Committee can be adopted either in or outside a meeting. In general, resolutions of the GSE Committee are adopted in a GSE Committee meeting.
- 6.6** A resolution of the GSE Committee can be adopted in writing other than at a meeting, provided that the proposal concerned is submitted to all GSE Committee members and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all GSE Committee members then in office. In the next meeting of the GSE Committee held after such consultation of GSE Committee members, the chairperson of that meeting shall set out the results of the consultation.

7 Reporting to the Supervisory Board

- 7.1** The GSE 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 GSE Committee of its deliberations and findings. The minutes of the meetings of the GSE Committee shall be circulated among all Supervisory Directors as soon as possible after the relevant meeting.
- 7.3** If requested, the chairperson of the GSE Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the GSE Committee.
- 7.4** All Supervisory Directors have unrestricted access to all records of the GSE Committee.

8 Miscellaneous

- 8.1** The GSE Committee, in consultation with the Chairman or, if the Chairman is also the chairperson of the GSE Committee, the chairperson of the Audit and Risk Committee, may occasionally decide not to comply with these regulations, with due observance of applicable laws and regulations.
- 8.2** The GSE 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. The Company Secretary may carry out the annual review on behalf of the GSE Committee and is authorised to make non-material (technical) adjustments to these regulations of which he will inform the chairperson of the GSE Committee.
- 8.3** The Supervisory Board can at all times amend these regulations and/or revoke any powers granted by it to the GSE Committee.
- 8.4** Clauses 14, and 22.4 through 22.7 of the Regulations of the Supervisory Board shall apply by analogy to the GSE Committee, while for the application of these regulations the power of the Supervisory Board or the Chairman referred to in these clauses is considered a power of the GSE Committee or the chairperson of the GSE Committee.
- 8.5** The Management Report shall state the composition of the GSE Committee, the number of meetings held by the GSE Committee.

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ANNEX 1

DIVISIONAL REPORTING POLICY

This Policy details the reporting requirements of relevant Group entities in respect the Committee's duties and responsibilities as described in article 4.1.1 the Regulations.

Each relevant Group entity is required to provide reports to the Committee with regard to matters relating to:

- social and economic development, including its standing in terms of the goals and purposes of:
 - o the principles set out in the United Nations Global Compact Principles;
 - o the Organisation for Economic Co-operation and Development recommendations regarding corruption;
 - o the codes of good practice and legislation relating to employment equity and workplace diversity applicable to the Group;
- good corporate citizenship, including but not limited to its:
 - o good corporate citizenship programme;
 - o promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - o contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
 - o record of sponsorship, donations and charitable giving;
 - o the environment, health and public safety, including the impact of its activities and of its products or services;
- consumer relationships, including its advertising, public relations and compliance with consumer protection laws;
- labour relations and employment matters, including:
 - o its standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - o its employment relationships and its contribution toward the educational development, of its employees.;
 - o the implementation of the ethics programme