

Steinhoff International Holdings N.V.

REGULATIONS OF THE HUMAN RESOURCES AND REMUNERATION
COMMITTEE

Adopted by the Supervisory Board on 5 June 2018



Table of Contents

Contents	Page
1 Introduction	3
2 Role and responsibilities.....	3
3 Composition	3
4 Duties and powers	4
5 Meetings	7
6 Decision Making	8
7 Reporting to the Supervisory Board	8
8 Miscellaneous.....	9

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 and best practice provision 2.3.1 of the 2016 Dutch Corporate Governance Code.
- 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 Role and responsibilities

The Human Resources and Remuneration Committee shall offer advice to the Supervisory Board, shall prepare the decision-making of the Supervisory Board in relation to any of the duties and proposed resolutions as referred to in clause 4.1 of these regulations and shall provide a report to the Supervisory Board on its deliberations and findings in accordance with clause 7.2 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 More than half of the members of the Human Resources and Remuneration Committee shall be independent within the meaning of clause 4.5 of the Regulations of the Supervisory Board.
- 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 chairperson 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.
- 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 for this purpose by the chairperson of the meeting.

4 Duties and powers

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

- 4.1.1 submit a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board, which policy shall in any event take into consideration the following aspects when the Supervisory Board formulates such policy:
- (i) requirements set out in sections 2:383c to 2:383e (inclusive) of the Dutch Civil Code;
 - (ii) the objectives for the strategy for the implementation of long-term value creation. When developing the strategy, attention should in any event be paid to the following:
 - a. the strategy's implementation and feasibility;
 - b. the business model applied by the Company and the market in which the Company and its affiliated enterprise operate;
 - c. opportunities and risks for the Company;
 - d. the Company's operational and financial goals and their impact on its future position in relevant markets;
 - e. the interests of the stakeholders; and
 - f. any other aspects relevant to the Company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery;
 - (iii) the scenario analyses carried out in advance. The Supervisory Board establishes whether the scenario analyses result in appropriate levels of remuneration, and whether measures are required to limit the remuneration. "Scenario analyses" are defined as analyses, conducted by the Supervisory Board when formulating the remuneration policy and before determining the remuneration of individual Managing Directors, of the possible results of the variable remuneration components and the way in which this affects the remuneration of the Managing Directors;
 - (iv) the pay ratios within the Company and its affiliated enterprise, i.e. the ratio between the remuneration of the Managing Directors and that of a representative reference group determined by the Company, along with whether there have been any changes in these ratios compared to the previous financial year;
 - (v) the development of the market price of the Shares;
 - (vi) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
 - (vii) if Shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and

- (viii) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded.
- 4.1.2 drafting a proposal for consideration by the Supervisory Board 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 consideration by the Supervisory Board 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 amount of the fixed and variable remuneration components;
 - (iii) the performance criteria used;
 - (iv) the scenario analyses that are carried out; and
 - (v) the pay ratios within the Company and its affiliated enterprise.
- The inadequate performance of duties will not be rewarded.
- 4.1.4 when drafting the proposal for the remuneration of Managing Directors, the Human Resources and Remuneration Committee takes note of individual Managing Directors’ views with regard to the amount and structure of their own remuneration. The Human Resources and Remuneration Committee asks the Managing Directors to pay attention to the aspects referred to in article 4.1.1(ii) – 4.1.1 (viii) (inclusive) of these regulations. The Managing Directors’ views on their own remuneration are for the Human Resources and Remuneration Committee, and do not form part of the account given of the implementation of the remuneration policy.
- 4.1.5 prepare the remuneration report, which report will in any event describe, in a transparent manner, in addition to the matters prescribed by law:

- (i) how the remuneration policy has been implemented in the past financial year;
- (ii) how the implementation of the remuneration policy contributes to long-term value creation;
- (iii) that scenario analyses have been taken into consideration;
- (iv) the pay ratios within the Company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- (v) in the event that a Managing Director receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
- (vi) in the event that a current or former Managing Director receives a severance payment, the reason for this payment.

The remuneration report as adopted by the Supervisory Board will be posted on the Company's website.

4.1.6 with regard to the Company's Share based incentive plans:

- (i) appoint trustees and compliance officers; and
- (ii) approve amendments after prior approval of the General Meeting;

4.1.7 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;

4.1.8 review the regulations of the Company's significant Subsidiaries' remuneration committees annually as well as those committees' compliance with these regulations;

4.1.9 undertake an annual assessment of the functioning of the Human Resources and Remuneration Committee, report these findings to the Supervisory Board; and

4.1.10 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.

4.2 The Human Resources and Remuneration Committee shall ensure that the main elements of the contract of a Managing Director with the Company shall be published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the Managing Director member will be proposed.

4.3 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.

4.4 The Human Resources and Remuneration Committee shall be provided with the information it needs to perform its duties properly. Without prejudice to previous sentence, each Human Resources and Remuneration 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 Human Resources and Remuneration 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.

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 far 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 any member of the Human Resources and Remuneration Committee.

5.2 Meetings of the Human Resources and Remuneration Committee are in principle called by the chairperson of the Human Resources and Remuneration Committee or the Company Secretary in consultation with the chairperson of the Human Resources and Remuneration Committee. Save in urgent cases to be determined by the chairperson 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 chairperson of the Human Resources and Remuneration Committee, in consultation with the Company Secretary, 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 Human Resources and Remuneration Committee may require that the head of the HR department of the Company, other officers of the Company and/or independent

experts 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 chairperson 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 submitted for adoption by the Human Resources and Remuneration Committee 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 chairperson 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 chairperson 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 chairperson 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 may occasionally decide not to comply with these regulations, with due observance of applicable laws and regulations and with the prior approval of the Chairman.
- 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. The Company Secretary can carry out the annual review on behalf of the Human Resources and Remuneration Committee and is authorised to make non-material (technical) adjustments to these regulations of which he will inform the chairperson of the Human Resources and Remuneration Committee.
- 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 14, and 22.4 through 22.7 of the Regulations of the Supervisory Board shall apply by analogy to the Human Resources and Remuneration 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 Human Resources and Remuneration Committee or the chairperson of 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 of the Human Resources and Remuneration Committee shall be posted on the Company's website.

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