

**Steinhoff International Holdings N.V.**  
**Minutes of the Annual General Meeting of Shareholders**  
**held at**  
**The Sheraton Amsterdam Airport Hotel and Conference Center,**  
**Schiphol Boulevard 101, 1118 BG Schiphol,**  
**Municipality of Haarlemmermeer, the Netherlands**  
**on 20 April 2018, at 13.00 p.m. CET**

Minutes of the proceedings at the general meeting (*algemene vergadering*) of **Steinhoff International Holdings N.V.**, a public company incorporated under the laws of the Netherlands (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, and its registered office at Herengracht 466, 1017 CA Amsterdam, the Netherlands, registered with the Dutch Trade Register under number 63570173 (the “**Company**”), held at The Sheraton Amsterdam Airport Hotel and Conference Center, Schiphol Boulevard 101, 1118 BG Schiphol, Municipality of Haarlemmermeer, the Netherlands, at 13.00 p.m. CET.

**1. Agenda item 1: Opening (No Vote)**

- 1.1 The Chairperson welcomed those present and informed the meeting that she would act as chairperson of the meeting having been duly appointed to do so by the supervisory board of the Company (the “**Supervisory Board**”) in accordance with the articles of association of the Company. She informed the meeting that the meeting would be conducted in the English language and that there were translators present to translate from English to Dutch and from Dutch to English and that translation devices were available.
- 1.2 The Chairperson elaborated that the context of the meeting was the collapse of the Company’s share price following the discovery of accounting irregularities in early December 2017, the former CEO’s resignation and the Company’s inability to issue its 2017 financial statements. She explained that over the past few months, on legal advice, the Company has been severely constrained in its ability to communicate and that, while not yet in a position to communicate unfettered, the Company was determined to communicate more openly and that the aim of today’s presentation to shareholders was to provide them with as comprehensive an update as the Company can at this time.
- 1.3 The Chairperson reported that good progress had been made in the investigation of the accounting irregularities, although there were still months of detailed work

necessary to finalise the investigation and enable appropriate legal action to be taken.

- 1.4 She noted that the composition of the Supervisory Board and the management board of the Company (the “**Management Board**”) was also critical to the future of the Company, which items were on the agenda today.
- 1.5 The Chairperson explained that, in proposing new supervisory directors of the Company (“**Supervisory Directors**”), the approach of the Supervisory Board had been to: (i) continue to ensure the Supervisory Board had the required blend of skills and experience to provide the necessary level of oversight and advice for management and strong governance through the various Supervisory Board committees, (ii) strengthen the independence of the Supervisory Board, and (iii) ensure there were both members bringing fresh insight to the Supervisory Board and others that ensured continuity was maintained. She also noted that the new candidates for the Supervisory Board were all keen that the group’s corporate memory was retained as the new Supervisory Board was put together. The proposed newly constituted Supervisory Board, comprised of two current members (Dr Booyesen and Ms Krüger-Steinhoff) and the Chairperson herself (a former member because her term expired on 1 March 2018), and five new members. She noted that Dr van Zyl had not sought to be appointed, as announced earlier in the week.
- 1.6 The Chairperson explained that, with the resignation of the former Chief Executive Officer and Chief Financial Officer, the Supervisory Board, assembled a core group of individuals who had both the qualities and expertise to lead the Company. The nominated managing directors of the Company (“**Managing Directors**”) had already demonstrated in recent months that they are the right individuals to lead the Company. She expressed her strong belief that the candidates for the Supervisory Board and Management Board together would provide the stable centre of leadership needed to navigate through the crisis.
- 1.7 The Chairperson further explained that the key focus of the Management Board and Supervisory Board since the events of December 2017 had been to: (i) maintain stability across the leadership team, which in turn does the same for the employees across the world, (ii) ensure the continued support across the group’s various creditors because creating a situation of stability amongst the creditors was of vital importance, (iii) create a feasible and implementable restructuring plan, (iv) drive the forensic investigation and the finalisation of the 2017 financial statements forward, and (v) keep regulators updated as to developments. She further explained that the crucial next stage rested on assessing the group’s strategic options and producing a

feasible restructuring plan that could be implemented in a controlled manner to ensure that value is maximised for all stakeholders, and (vi) taking steps to ensure that any wrong-doing is uncovered by the investigation and is reported to the authorities. She said that the Company was also making progress in charting a new course forward. The Chairperson expressed her gratitude to the group's 130,000 staff members throughout the world who were continuing to work in the group's interest every day, despite the uncertainty and challenges of the crisis.

1.8 The Chairperson noted that, for this year's general meeting there was a facility for shareholders in South Africa to view a livestream of the meeting by attending the Cape Town International Convention Centre. It was noted that while shareholders attending the South African venue would be able to directly observe the proceedings, speak and raise questions, such attendance would not constitute participation in the general meeting from a Dutch law perspective and such shareholders would not be able to vote at the South African venue. In accordance with the notice of the meeting, however, shareholders attending the South African venue who intended to exercise their voting rights submitted their votes via proxy in advance of the meeting. Accordingly, shareholders present at the South African venue would not count towards the represented share capital at the meeting unless their votes had been submitted by proxy in advance.

1.9 The Chairperson advised the attendees that their attendance at the meeting was subject to the following conditions:

- Instructions given by the Chairperson are to be adhered to at all times and the order of the meeting must be maintained;
- All mobile phones and other communication devices are to be silenced for the duration of the meeting;
- The taking of photographs, video recordings and audio recordings is prohibited at this meeting;
- Members of the press and the investor community are requested to remain in those areas, in the designated seating areas at all times;
- Members of the press and the investment community are not entitled to make comments or ask questions at any point during this meeting unless they have been registered or are registered shareholders.

1.10 The Chairperson advised that every effort would be made to afford shareholders in both venues the opportunity to raise questions and she requested their cooperation in managing the question and answer process.

- 1.11 The Chairperson proceeded to welcome and introduce Mr Danie van der Merwe, Steinhoff's acting Chief Executive Officer and the nominees to the Management Board, Mr Philip Dieperink, Mr Louis du Preez, Mr Theodore de Klerk and Mr Alexandre Nodale, as well as the nominated Supervisory Directors, Ms Angela Krüger-Steinhoff, Dr Steve Booyesen, Khanyisile Kweyama, Professor Alexandra Watson, Ms Moira Moses, Mr Hugo Nelson and Mr Peter Wakkie, who were all present at the meeting and each of whom stood to identify themselves for the audience. She noted that since their nominations Mr Dieperink, Mr du Preez and Mr Nodale had each been acting on behalf of the Company on the basis of a power of attorney lodged with the Dutch Trade Register. She further introduced as present Mr Johan Hopmans, the lead partner of Deloitte Accountants B.V., responsible for the external audit, Mr Wieger ten Hove of Simmons and Simmons LLP Amsterdam office, the Company's civil-law notary in Amsterdam, the Netherlands, who received powers of attorney and voting instructions from certain shareholders, and Mr Ewoud van Gellicum, Company Secretary, who was charged with keeping the minutes of the proceedings at the meeting.
- 1.12 The Chairperson then declared the meeting open at 13:17 pm CET.
- 1.13 The Company Secretary confirmed that the notice to shareholders convening the meeting was made available on the Company's website to all shareholders on 9 March 2018 together with the agenda for the meeting, the explanatory notes thereto and the proxy form and was announced on the FSE and JSE news services on the same day and that, on 5 April 2018, the Company announced on the FSE and JSE news services that the Supervisory Board had determined that parts of Resolution 6 (Remuneration) in the notice would not be put to shareholders at the meeting. He advised that a revised AGM notice reflecting those deletions was made available on the Company's website on the same day and that these deletions did not affect the content of the remaining resolutions. The notice of the meeting was taken as read.
- 1.14 The Chairperson confirmed that, as the notice of the meeting was given in accordance with the Company's articles of association, valid resolutions could be adopted on the subjects set out in the agenda to be read in conjunction with the explanatory notes included in the notice. The Chairperson noted that as Dr van Zyl had decided not to seek re-appointment, the corresponding agenda item 5.10 would not be proposed. The meeting agenda was then confirmed.
- 1.15 The Chairperson furthermore confirmed that, according to the Company's articles of association, each ordinary share confers the right to cast one (1) vote at the general meeting, unless preference shares in the capital of the Company are in issue. It was

recorded that, on the date of the meeting, no preference shares had been issued. All resolutions to be voted on at this meeting would be adopted with a simple majority of the votes cast, without a quorum being required.

1.16 The Chairperson noted that voting would be conducted on all proposed resolutions and all the votes would be considered as soon as all the resolutions have been put to the meeting. In relation to voting items, shareholders could vote in favour or against. Shareholders could also abstain from voting. Blank votes, invalid votes and abstentions would be considered as not having been cast, but would be counted towards the number of votes represented. Computershare Netherlands had handed a voting device to those present and entitled to vote, with which shareholders or their representatives may cast their vote electronically.

1.17 The Chairperson noted that a significant number of shares were to be voted on, under a power of attorney and that voting instructions that had been received. These powers of attorney had either been granted to a person of shareholders' choice present at the meeting or to Mr Wieger ten Hove, (associated) civil-law notary. The proxies with voting instructions delivered to Mr ten Hove would be indicated at a later stage and were still being processed. All proxy votes delivered before the meeting had already been loaded into the system. The results of voting would be shown per agenda item and voted on as the voting procedure had finished, which would be directly after its closure. The Chairperson then proceeded with the business of the meeting.

1.18 The Chairperson advised shareholders that the Management Board and Supervisory Board wanted to make the most of the time available for shareholders. She therefore ruled that:

- There would be a designated Q&A session in which shareholders would be able to raise questions for the Management Board and Supervisory Board. This was agenda item 3 and would follow Mr Danie van der Merwe's presentation;
- Questions from shareholders had been received in advance of the meeting. To the extent that they had not been answered by the Management presentation, shareholders were free to raise questions during the Q&A session;
- All questions were to be directed through the Chairperson;
- The Chairperson may call upon members or nominees to the Management Board, the Supervisory Board or the Company Secretary to answer questions;

- The voting results in respect of each agenda item to be voted on would be shown directly by Computershare as soon as the voting procedure in respect of that agenda item was finished and closed.

The Chairperson informed the meeting that representatives of the Supervisory Board and Management Board would be answering questions from shareholders once the presentation had been concluded. The Chairperson furthermore informed the meeting that the presentation had been posted on the Company's website.

## **2. Agenda item 2: Presentation to shareholders (No Vote)**

Mr Danie van der Merwe proceeded to deliver a presentation, updating shareholders in respect of the actions taken by the Company following the discovery of the accounting irregularities in December 2017. He emphasised the following:

- Immediately after 6 December 2017, the Management Board's initial priorities were to safeguard the group's liquidity in order to enable the continued trading by the group's operating companies and to preserve value for all stakeholders. The Company operates on a decentralised basis in many countries with management teams in all of those countries and liquidity was the major crisis encountered on that day.
- The Management Board's priorities remained focussed on developing the group's strategic options plan, maintaining the stability and managing the ongoing operations of the group.
- The group's financial position remained very challenged.
- The leadership team need to be reconstituted, and a Chief Restructuring Officer (Richard Heis) had been appointed.
- Selected assets in South Africa and in Europe had to be sold to maintain liquidity.
- Costs were cut to preserve cash.
- The group was still relying on asset realisations to fund ongoing working capital, interest and professional fees, which actions were not sustainable in the long run.
- In view of the present circumstances, the Company would not declare any dividends until further notice.
- The debt clusters of the group were explained.

Mr Philip Dieperink explained that:

- A large part of the management's work had been engagement with creditors across all the debt clusters to create a window of stability and to develop a restructuring plan.
- The group was currently operating under an informal standstill with creditors.
- Debt rollover and lender requests were being managed on an ongoing basis.

- The general waiver process was on hold pending presentation to creditors of a restructure plan, evidencing a sustainable capital reduction going forward.
- In the South African cluster, the Company had paid interest and was repaying the debt.
- In the European clusters, the Company had paid interest but was not repaying any debt currently.
- It was essential to put in place the restructuring plan under development, which was complex given the complexity of the group's debt and corporate structure.
- The restructuring plan was being developed to achieve four key objectives: (i) to maintain stability, (ii) to maximise stakeholder value, (iii) to reduce the debt and (iv) to ensure implementation of the plan.
- Maintaining stability would require maintaining liquidity and normal operational performance and ensuring that the operations perform in an appropriate manner. This was considered key to ensuring that value could be maximised for all stakeholders.
- It was essential to engage with lenders to ensure that the group could restructure and reduce the level of debt.
- The South African Medium Term Note programme had been settled to the extent of SAR 7.6 billion. This entailed the sale of certain assets such as the KAP shares which realised SAR 3.7 billion. The group now owned an equity stake of 26% in KAP.
- The group also sold a 6% equity stake in STAR for SAR 3.75 billion. The group still owned an equity stake of 71% in STAR. STAR was considering a structure to repay the intercompany loans and this was expected to be completed in the next few weeks.
- Regarding Hemisphere Properties, the group was engaging with the creditors on an extension of the August 2018 maturity of EUR 750 million and was in regular contact with the lenders in that regard.
- Regarding Steinhoff Finance Holding, the group was engaged with holders of the 2021 and 2022 Convertible Notes and it was intended that the 2023 Convertible Notes would be dealt with as part of the SEAG and Stripes proposal.
- Regarding SEAG and Stripes, the group continued to engage on a restructuring plan, which would include the treatment of upcoming maturities to the extent of EUR 770 million in July and August 2018.
- PwC had been appointed in December 2017 to conduct an independent forensic investigation. The purpose of the investigation was to determine as expeditiously as possible what happened, what the financial impact was and who was responsible. PwC was engaged in regular contact with the Audit and Risk Committee, the Management Board and Deloitte. PwC were reporting directly to the Supervisory Board. This investigation involved significant scale and complexity, spanning a number of financial years and covered all entities and countries in the group. The investigation was divided into a number of separate work streams which were all running in parallel with the aim of expediting the preparation of the final report. 4.4 million records had been

accumulated and over 320,000 documents scanned in hard copy in various executive offices. PwC had conducted a series of internal and external interviews and would continue to do so as the process evolved. PwC had confirmed a pattern of transactions undertaken over a number of years across a variety of asset classes that led to the material overstatement of income and asset values of the group. The group had and would continue to provide unrestricted access and full cooperation to the PwC team. The findings to date would assist management in the preparation of unaudited interim financial statements for the period ending 31 March 2018. PwC would assist the group in determining the financial effect of the identified transactions, and expected the investigation to be substantially completed by the end of 2018. The Company would communicate any material developments at the appropriate time, whilst being cognisant of the sensitivities around the investigation and possible legal proceedings.

- Regarding the financial statements, the Company had issued a Q1 trading update on 28 February 2018 and was aiming to announce unaudited half-yearly results in June 2018 and was intending to include income statements for the 6 months ended 31 March 2018 and 2017, a balance sheet as at 31 March 2018, 31 March 2017 and 30 September 2017 and cash flow statements for the 6 months ended 31 March 2018 and 31 March 2017, as well as a trading update for the 6 months ended 31 March 2018 and restated 2017 comparatives. The Company would also provide a Q3 trading update in September 2018 and aimed to release the full year audited 2018 group results at the end of January 2019. The Company were aiming to release the full year audited 2017 results by the end of December 2018.

Mr Louis du Preez was introduced. He gave an update on litigation and possible litigation as well as the regulatory environment within which the Company operated, as follows:

- The VEB, which were represented in the meeting room, had initiated proceedings against the Company on 2 February 2018 in Amsterdam, in terms whereof they brought a collective action on behalf of shareholders that they claim they represented. The nature of the claim was declaratory relief in relation to alleged damages suffered by those shareholders due to investing into the Company. Preliminary motions were filed contesting - inter alia - the jurisdiction of the Amsterdam court and requesting the court to authorise the Company to institute third party contribution proceedings against the former CEO Mr Markus Jooste. The VEB was opposing these preliminary motions. However, if correctly understood, the VEB were not opposing the contribution proceedings that the Company intended to institute against Mr Jooste. No damages were being sought at this stage. Subsequent proceedings would be necessary in that regard.
- Similar proceedings had been instituted in Germany on 19 December 2017. However,

- to the best of Mr du Preez' knowledge, the Company had not received the legal documents although it was aware from investigations that its legal team had done, that there was a court docket or a court case that had been allocated by the German courts.
- There were other entities that were threatening the group with claims, but the Company had not received any formal legal proceedings, including vendor claims (i.e. vendors that sold their businesses and assets to the group in the prior years).
  - Regarding the Seifert litigation, there was firstly the litigation in Germany. These proceedings predominantly related to POCO. The Seifert related entities were contesting the existing forfeiture of their 50% shareholding in POCO by the Company. The Company's position was that this forfeiture was valid. On a similar footing, the Seifert entities had brought a separate claim against the Company by which they in turn were seeking the forfeiture of Steinhoff's 50% shareholding in POCO. These proceedings were being defended. The Company's attorneys had informed the Company that the German courts set high hurdles for forfeiture of shares owned by a fellow shareholder. In the event that either party is successful, the POCO entity would be liable to pay the compensation for the fair market value of those forfeited shares. That quantum would be determined by an expert opinion of an independent valuation appraiser. In the event that the Company did not have sufficient funds to make such a payment, each shareholder had already guaranteed to provide POCO with the necessary funds. The first court oral hearing was scheduled for next week Wednesday on 25 April 2018. Secondly, reference was made to the Amsterdam Enterprise Chamber's decision that was made public in February 2018 and related predominantly to the accounting treatment and not the ownership of POCO. The understanding of the ruling made by the Amsterdam Enterprise Chamber was that the Company was correct to consolidate POCO as a controlled interest in its 2016 accounts. However, the Enterprise Chamber ordered that the Company amend the 2016 accounts to change its consolidation treatment of POCO from a 100% controlling interest to a 50% controlling interest and, in addition to that, then release the related settlement liability. The Company's intention was to comply with this ruling. Thirdly, there were proceedings with Seifert related entities. AIH Investment Holding AG ("**AIH**") was an intermediate holding company which in turn indirectly owned Conforama, the French Steinhoff business. There were two legal proceedings regarding AIH pending before the Vienna Commercial Court. The first was the so-called "Loan Claim" and this related to a claim by the Seifert entities against AIH and Steinhoff Europe AG for an amount of EUR 249 million, plus interest and costs in respect of an outstanding portion of a loan of about EUR 300 million advanced in 2011. This claim was being opposed by Steinhoff. The next hearing date was scheduled for early May 2018. The hearing date related to the taking of evidence and further dates set for the taking of evidence had been set for the remainder of 2018. The second claim by the Seifert entities before the Vienna Courts

related to events also in 2011 where the parties entered into a convertible loan arrangement. Under this agreement, it was alleged by the Seifert entity that against the advance of EUR 70,000 it was entitled to a 50% shareholding in AIH. Steinhoff was also opposing this claim. This matter was on hold pending the finalisation of taking of evidence in the loan proceedings referred to above.

- The litigation mentioned was sub judice and covered to a large extent by legal privilege.
- A provision had been raised previously in respect of the Seifert claims. The new management team was reviewing the provision. The new management team was reviewing the adequacy of this provision as part of the restatement of the annual accounts.
- The Company was in regular contact with its principal regulators, being the AFM in the Netherlands, the FSE and BaFin in Frankfurt as well as the JSE in Johannesburg. The group was not aware that any regulator was seeking a suspension of the listings. The preference shares of Steinhoff Investments Holdings Limited, with a nominal value of around EUR 100 million, had been suspended from trading on the JSE since 1 March 2018.
- The investigations by the South African Financial Services Board, Johannesburg Stock Exchange and South African Companies and Intellectual Properties Commission were all ongoing and the Company was interacting with these regulators on a regular basis and the Company had undertaken to do so in an open and frank manner.

Mr du Preez handed the floor back to Mr Danie van der Merwe who made closing remarks. The Chairperson thanked Mr van der Merwe and the nominees for their contribution. She advised the shareholders that although there were still information constraints, the Supervisory Directors and the Managing Director would make every effort to answer questions of shareholders. The meeting then proceeded to address the statutory matters set out in the notice of the meeting.

Concerning representation at the meeting, the Chairperson informed the meeting that shareholders representing 2,169,215,161 ordinary shares were present at this meeting, in person or by proxy, which was equivalent to 50.33% of the issued share capital of the Company on the record date for this meeting, which was on 23 March 2018. Consequently, a total of 2,169,215,161 votes could be cast. There were 33 shareholders present or represented at this meeting venue and another 26 at the meeting facility in South Africa. The Chairperson thanked everyone for taking the effort to be at the meeting.

The Chairperson noted that a significant number of shares would be voted on the basis of powers of attorney and voting instructions that have been received. These powers of attorney had either been granted to selected persons present at this meeting or to Mr

Wieger ten Hove. The proxies with voting instructions delivered to Mr ten Hove represented 95.93% of the share capital of the Company present at this meeting. All proxy votes delivered before the meeting had already been loaded into the system. The results of the voting shall be shown per agenda item that shall be voted on as soon as the voting procedure is finished which is directly after its closure. Total number of shares represented by Mr ten Hove was 2,081,001,965.

### **3. Agenda item 3: Shareholder Q&A (No Vote)**

The Chairperson presented the next agenda item to the meeting. In order to facilitate a controlled approach to this part of the meeting she recommended proceeding as follows:

- (i) Shareholders who wished to ask questions raise their hand and may only commence asking their question once they have been addressed by the Chairperson and been handed a microphone or stepped up to the microphone. This was also important because the microphone was what transmitted the question to the other venue.
- (ii) Prior to asking their question the shareholder or the shareholder representative concerned must state their name if applicable or the name of the shareholder and the number of shares they represent.
- (iii) All questions raised to be directed through the Chairperson.

The recommended process was that 3 people in the Amsterdam venue could each ask 1 question and then to move to the Cape Town venue and 3 people there could each ask 1 question. This process would continue until the Chairperson concluded the Q&A session. In order to facilitate questions at the South African venue, attorneys representing the Company were present at the South African venue.

Mr Quirijn Bongaerts, representing a single shareholder from Germany and also acting as Dutch counsel to the Stichting Steinhoff International Compensation Claims, asked in what form the Company would report the findings of the investigations. He also asked if the entire PwC report would be published and if there would be a summary for shareholders and whether there would be structural updates or frequent updates regarding the findings?

With respect to updates of PwC, Mr du Preez responded that it was intended to provide the market with updates as and when they became available. To the extent that there would be a final report, Mr du Preez answered that it would also be the intention to publish that report. He noted, however, that both those statements were subject to the following provisos: (i) to the extent the report refers to claims against third parties, the Company would have to take legal advice and may choose not publish the full report and (ii) to the extent the report might influence any prosecutions or civil claims, the Company may choose

not to publish the full report. Mr du Preez added that the Company would then be in a position that it could not at that stage publish those statements.

Ms Bettina Elles, an attorney from Germany, representing a German shareholder, questioned whether Mr Dieperink had a conflict of interest and lacked the integrity required to be appointed as CFO. Ms Elles alleged that publicly available information suggested that Mr Dieperink, who has served as Steinhoff UK CFO for more than 10 years, was not only aware of but may have been actively involved in transactions that were being investigated by PwC. Ms Elles added that she believed there to be a clear indication that for many years Mr Dieperink had personally benefited from those structures through receiving bonuses and share rights that were based on – inter alia – inflated results. She added further that if indeed such transactions were drawn into question as fraudulent in the PwC investigation, then Mr Dieperink personally would be implicated by such transactions and the investigation thereof.

The Chairperson explained the process followed to arrive at the current nominations to the Management Board. She added that the Managing Directors and Supervisory Directors, would resign immediately in the event that the forensic investigation uncovered anything untoward in respect of any them.

Mr Armand Kersten, VEB, representing 40 shares, noted for the record that he had heard Mr du Preez say that no formal process documents had been served on the Company in the German proceedings. He asked where the governance had been in Steinhoff, in light of the rumours he had heard in relation to a EUR 325 million payment to Christo Wiese in October and November of 2017. How had the Supervisory Board overseen this payment?

With respect to the Wiese transactions mentioned, Mr du Preez explained that the background was that, during the course of last year, STAR, Steinhoff Africa Retail, the South African, separately listed entity in which the group currently owned a 71% stake, embarked upon a transaction to potentially take over the controlling voting interest and a significant economic interest in an African retailer called Shoprite. As part of this transaction a number of option agreements were entered into, including with Wiese related entities, and the result of those, if the Shoprite transaction became unconditional, was that the Wiese related entities as one of the selling parties would obtain, in exchange for their previously held shares in Shoprite, shares in STAR. In October 2017, a forward sale agreement was entered into in terms whereof an amount of EUR 200 million was paid by Steinhoff Europe to a Wiese related entity in respect of the STAR shares that the Wiese related entity would obtain post the implementation of the Shoprite deal. In November 2017, a second payment of EUR 125 million was made to a Wiese related entity. The events of

December 2017, however, overtook these transactions and the delivery of the STAR shares under the forward sale agreements could not be proceeded with as the Shoprite transaction was cancelled in December 2017. In January 2018, settlement agreements were concluded by Steinhoff with the Wiese related entities. The settlement agreement with respect to the EUR 125 million had been fully implemented and the money had been repaid. The settlement agreement in respect of the EUR 200 million was a valid agreement that was in place and the payment thereunder was in the process of being implemented. Concerning the corporate governance issues that were referred to also in the press, it was established that the applicable disclosure process had not been followed in respect of both transactions.

Mr Mark Hodgson, representing 58,232 shares, asked to what extent the South African balance sheet was guaranteeing the international liabilities because it was clear to him that the South African balance sheet was strong, and it was unclear to him what the legal relationship was and if there were any exchange control implications.

Mr du Preez responded that, when the liquidity crisis hit the group in December 2017, the group had had to obtain liquidity, especially at central level. Efforts were initially undertaken to obtain liquidity in the European cluster but those efforts had not been successful. The Company then, with the knowledge of the European lenders, entered into a transaction with the South African lender grouping, obtaining permission, as was reported, to transfer via the repayment of South African loan claims that were due to the European cluster to reduce the liabilities of the South African clusters by repaying loans to the tune of EUR 200 million euros. Part of the restructuring plan was a pre-condition of the South African Reserve Bank to allow the Company to repatriate or repay the EUR 200 million, was that all of the debt in South Africa had to be repaid. So that was the regulatory requirement for the EUR 200 million to be paid into Europe to support the liquidity. The sale of the 17% in KAP as well as the sale of the 6% of STAR were all part of that process to repay the South African debt. Mr du Preez added that the last part in that transaction would hopefully be the repayment by STAR of the loan that it owes to Steinhoff Africa in the amount of approximately one billion euros and then all the South African debt would be repaid bar for some operational debt that would then be in UNITRANS and obviously STAR would then have its own debt on STAR balance sheet.

In response to the question on the guarantees of the South African assets, Mr du Preez referred to the presentation. He added that the legal position in respect of those guarantees, and whether they were enforceable, was a question that had been referred to the Company's lawyers for advice. He noted that in all likelihood the Company would have to engage with the South African Reserve Bank on that matter.

Mr Detlef Haje, a shareholder from Germany, expressed his gratitude to the Managing Directors and the Supervisory Directors for their efforts since early December 2017 and he expressed his sympathy with the 130,000 employees of Steinhoff worldwide. Mr Haje asked what the status and scope of the PwC investigation was. He also asked whether completion of the PwC investigation was a pre-condition to the completion of Deloitte's audit.

Mr Dieperink responded that Deloitte had stipulated that they want to have a final report from PwC before they can finalise the 2017 financial statements. The scope of the PwC investigation was unlimited. Mr Dieperink explained that a process had been established between the Company, Deloitte and PwC to work as efficiently as possible together to finalise the financial statements of the identified groupings of companies. He added that a number of groups had already been audited and finalised.

Mr Edouard Fremault, an attorney of Deminor Law in Brussels, representing a large group of investors, asked whether the Company had informed the auditors truthfully in the past years.

The Chairperson responded that this was a matter for PwC to investigate.

A shareholder (unnamed), with 500,000 shares, asked whether the Company would treat creditors in Europe differently from creditors in South Africa and if debt to South African creditors would be repaid in full and creditors in Europe only in part.

Mr Dieperink responded that the Company had appointed AlixPartners to set up a model which recognised every person's claim and which would ensure that the Company was able to follow the claims right throughout the various operations. Through this model, the Company was trying to ensure equal treatment of creditors, subject to their contractual rights.

Mr Wilhelm Hertzog, of Rozendal Partners representing Afrika Avontuur Trust, asked a question relating to Mr du Preez' comments about the intercompany loans on the South African balance sheet. He asked whether the information disclosed in the annexes to the bankers presentation on 19 December 2018 was still materially correct or whether there had been material changes to those intercompany loan accounts disclosed in the annexes to that bankers presentation.

Mr du Preez responded that he believed that the bankers presentation was incorrect in that respect and that this had been rectified towards the end of February showing the correct inter-balances between the companies. He advised that the correct slide was published on

the Company's website towards the end of February 2018.

Mr Joost Schmets, VEB, asked the Company to elaborate on the informal standstill and the cost of the standstill and what the status was of the general waiver process.

Mr Dieperink responded that the Company was constantly reviewing the financial position of the Company and working to maintain and improve the liquidity of the group to enable continued trading by the operating companies and to preserve and restore value for all our stakeholders, including lenders, shareholders, employees, suppliers and customers. Through interaction with, and the assistance of, various lender groups, the Company has maintained near-term liquidity at a central level. Ongoing support of lenders was critical. Mr Dieperink emphasised that the capital structure of the group needed to be changed significantly and the debt needed to be significantly reduced. The management was constantly monitoring the liquidity situation. In relation to the general waiver process, Mr Dieperink responded that he hoped that, after the bankers meeting in May and after a restructuring plan had been put in place, he would be able to provide an update on the general waiver process.

Mr Dieperink summarised that it was hoped that by May, there would be a lenders meeting, that a restructuring plan would be put to the meeting and discussed with lenders and hopefully the group would be in a position where further notification can be made after that. In relation to the informal standstill, Mr du Preez responded that on an ongoing basis management was liaising with creditors to ensure that technical covenant breaches did not result in payment defaults and that these creditors provided extensions. It was noted that this was an informal arrangement until such time as a formal agreement might be signed.

Mr Lungani Sibiyi, of Eskom and Provident Fund, questioned the independence of Dr Booyesen and Ms Krüger-Steinhoff and made reference to the King Four Corporate Governance Code which, Mr Sibiyi noted, stipulated a maximum nine-year term for members of the board to be deemed independent. He also asked the Chairperson whether she regarded herself as independent considering the background of her family with the board.

The Chairperson responded that she believed that concerns about independence arose as a result of the Company's current inability to communicate freely. She explained that the mix of skills, experience, fresh insights, as well as continuity within the Supervisory Board had been recognised as essential by the Nomination Committee when it considered appointments and re-appointments and advised that she believed that each nominee to the Supervisory Board was able to apply his/her mind entirely independently.

Mr Saul Muller, of Truffle Asset Management, representing shareholders in South Africa, asked whether, assuming the South African Reserve bank would grant permission to transfer SAR 15 billion to the European cluster, that sum would provide sufficient liquidity, and whether that would take away the need to sell European businesses and whether the European businesses generated enough cash to support their liquidity needs.

Mr Dieperink responded and referred to the presentation and explained that if the Company received a repayment on the STAR loan that would be used to repay the debt at a South African level. Accordingly, the ZAR 15 billion would not be transferred back to Europe.

Mr Dieperink advised that thereafter Steinhoff would engage with each lender group, looking at when the capital payments become due and noting that Steinhoff are in discussions with them to best determine how to service the debts.

Mr Quirijn Bongaerts asked Mr du Preez to elaborate on his previous answer with respect to the provisos he mentioned in respect of publishing the PwC report. Mr Bongaerts said that that he had interpreted the remark of Mr du Preez in such a way that, when information would actually form a risk for other parties especially with a view to litigation or prosecution, the Company would choose to leave that information out. Mr Bongaerts added that if that was the case, there would be a serious risk of important information material to shareholders who suffered losses as a result of the stock price developments, not being provided to shareholders as required. Mr Bongaerts asked what kind of balancing of interests the Company was seeking.

Mr du Preez responded that the obvious preference would be to publish the interim and final reports in their entirety and that that would be the intention. However, that would be qualified by legal advice taken and obtained at the time the reports are obtained from PwC. Mr du Preez further explained that if for instance the reports indicated that there was a potential third party claim, one would not want to publish that because that might potentially harm the recoverability of that claim.

Mr Jon Duncan, of Old Mutual, referred back to the governance failure relating to the Christo Wiese claims referenced by Mr du Preez and asked what the specific governance failure was and what was being done to remedy that failure.

Mr du Preez responded that the governance failures related to disclosure failures at both Management Board and Supervisory Board level and that, as also indicated earlier, settlement agreements had been entered into. The Company was cooperating with the

regulators to the extent they were engaging with the group on these transactions.

Mr Frank Peeters, representing Mr Warringa and other shareholders, asked what the reasons were for the resignations of each of the individuals who had resigned from the Management Board and Supervisory Board over recent months. He further asked why the reasons were not made public and whether it had been contemplated to dismiss them.

The Chairperson responded that for each resignation a reason was provided in the respective public announcements.

Ms Hussla asked why EUR 8 billion out of more than EUR 10 billion of debt was located in Europe, specifically in Austria and why there was hardly any debt in the United States whereas the most expensive acquisition (Mattress Firm) was located in the United States. She also asked who the current creditors were.

Concerning the debt structure, Mr Dieperink responded that the strategy had previously been to grow the international business from Europe and that as a consequence that was where most of the additional funding had been raised for certain acquisitions. He noted that Austria could have been chosen because of favourable holding company tax jurisdiction. The Mattress Firm acquisition was structured through Steinhoff Europe AG, an Austrian entity. Mr Dieperink explained that the composition of the lenders had changed and was still changing.

Ms Aureil Folles asked whether the PSG sale had been completed and whether the South African Reserve Bank had approved the transfer of funds to Europe because the South African debt is smaller than the European debt.

Mr du Preez answered that the PSG shares had been sold in two tranches. The first tranche was sold in middle December via private placement and he advised that the Company was of the view that the sale was done at more than fair value to the market price at the time. The second tranche, i.e. the remaining stake, was sold via an accelerated book build. The Company had appointed advisers to assist in both processes and management believed that those disposals were at fair market value compared to the trading prices at the time. Concerning transferring further funds to Europe, Mr du Preez advised that the following factors must be taken into consideration: contractual rights of lenders, the nature and the extent of the intercompany loans, the conditions set by the South African Reserve Bank, and vendor claims against certain South African entities.

Mr Armand Kersten asked Mr Hopmans whether there was an audit standard pursuant to

which the statutory auditors have to take reasonable measures to identify instances of fraud.

The Chairperson responded that this question would be dealt with under agenda item 7. A shareholder (unnamed) asked if the indemnity would protect Managing Directors from being sued should they make bad decisions in future and would the indemnity relieve them of accountability for corporate decisions they take.

Mr du Preez responded that the Company's articles of association include an indemnification for the directors in the event that there are claims against them. He did not believe that this would mean that the directors would not be accountable as they would remain subject to normal fiduciary duty obligations. When asked by Mr du Preez, the Company Secretary confirmed the explanation provided by Mr du Preez.

A shareholder (unnamed) asked for an explanation as to why Deloitte had been proposed to be re-appointed to perform the 2018 audit given that, as he stated, inter alia, Deloitte was not independent and the alleged fraudulent transactions fell into the realm of responsibility of Deloitte. He believed that Deloitte was at the centre of the problem and only wanted to remain the Company's auditor to be able to protect themselves against litigation.

The Chairperson responded that this question would be dealt with under agenda item 7.

Mr Joost Schmets asked, in respect of the Company's credit rating, whether the Company anticipated that the interest rate on its loans would go up in the future and if that was sustainable.

Mr van der Merwe responded that with the lower credit rating, interest rates would be higher than in the past and the Company would need to bring down its debt to a sustainable level. Mr Saul Muller referred to the amount of EUR 6 billion included in the trading update of 28 February 2018, in which the Company announced that there would be other material amounts in addition. Mr Muller asked if the Company could give an indication of the additional amounts and of the materiality threshold used.

Mr Dieperink responded that that was the question everyone wanted an answer to in order to determine the position of the Company.

Lungani Sibiyi questioned the independence of the nominated Supervisory Directors. He believed that the members who were proposed for re-appointment were conflicted. Mr

Sibiya also asked for the assurance that all candidates would be included in the PwC investigation.

The Company Secretary responded that the applicable independence test of the Dutch Corporate Governance Code had been applied to each candidate of the Supervisory Board and that the result was that, with the current exception of Ms Krüger-Steinhoff, all candidates were independent. In relation to alleged conflicts of interests he responded that all other relevant board positions had been disclosed and that there were no conflicts of interests currently. Mr Philip Dieperink added that the scope of PwC's investigation was unlimited.

Mr Detlef Haje referred to the Q1 trading update in which the Company mentioned that the situation remained "delicate". He asked how the Company would characterise the situation now.

Mr Dieperink responded that the word used now was "challenging" or "challenged".

#### **4. Agenda item 4: Composition of the Management Board**

##### **4.1 Agenda item 4.1: Notification of the non-binding nominations by the Supervisory Board of Mr Philip Dieperink, Mr Theodore de Klerk, Mr Alexandre Nodale and Mr Louis du Preez for appointment to the Management Board (No Vote)**

The Chairperson presented the next agenda item to the meeting. She advised that agenda 4.1 item comprised the notification to shareholders of the non-binding nominations by the Supervisory Board of Mr Philip Dieperink, Mr Theodore de Klerk, Mr Alexandre Nodale and Mr Louis du Preez for appointment to the Management Board.

She further advised that there was currently only one appointed member of the Management Board, being Mr Danie van der Merwe, and that the Supervisory Board was of the unanimous opinion that the Management Board must be strengthened. The nominees identified for appointment had been carefully selected, recognising their different individual skill sets as well as considering the requirements of the group both, presently and in the medium term. Each individual had played an integral role in helping to stabilise the group since the crisis broke in early December 2017 and they had all displayed outstanding leadership qualities. None of the individuals proposed for appointment to Management Board positions had been identified as having any connection with the alleged accounting irregularities. Mr Dieperink had been acting Chief Financial Officer since 4 January 2018. Mr Nodale had been acting Deputy Chief Executive Officer since 19 December 2017 and Mr du Preez had been acting Commercial Director since the same date; in each case pending formal appointment to the Management

Board. Mr De Klerk had been Group Services Director since January 2015. The Supervisory Board considered, in addition to their individual skill sets, the institutional knowledge of these individuals to be absolutely necessary in safeguarding the continuity and effectiveness of the Management Board and therefore unanimously recommended that the general meeting votes in favour of these appointments.

The Chairperson reiterated that the Managing Director (Mr Danie van der Merwe), the nominees to the Management Board and the current Supervisory Directors and herself, would resign immediately in event that the forensic investigation uncovered anything untoward in respect of any them. For the nominees to the Management Board, PwC had confirmed that based on their investigation to date none were implicated in any of the irregularities under investigation.

#### **4.2 Agenda item 4.2: Proposal for appointment of Mr Philip Dieperink as a member of the Management Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Management Board, Mr Dieperink for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Mr Dieperink's qualifications and concluded that he would be an excellent addition to the Management Board and would fit the role of Chief Financial Officer very well, as demonstrated during his time as acting Chief Financial Officer of the Company since 4 January 2018 and his extensive experience in accounting and corporate finance positions throughout his career. He had also previously acted as the CFO of a listed company and his proposed appointment had been well received by the group's financial creditors. The Nomination Committee had advised the Supervisory Board to nominate him for appointment with the intention to appoint him to the Management Board as Chief Financial Officer.

The Chairperson opened the floor for questions.

Mr Frank Peeters asked if it was correct that the Chairperson was currently the only member of the Nomination Committee and that under its regulations there should be three members.

The Company Secretary responded that currently the Chairperson was not a member of the Supervisory Board because her term had expired on 1 March 2018 and that the duties of the Nomination Committee were currently discharged by the full Supervisory Board, with Dr Booyesen and Ms Krüger-Steinhoff as its current members.

Mr Armand Kersten stated that the VEB would vote at the meeting and would vote constructively because he believed that to be its fiduciary duty toward its constituency. He stated further that it had not been established yet if any of the nominees to the Supervisory Board and the Management Board who were part of the Supervisory Board or with the company previously were part of the solution or part of the problem. He then asked if Mr van Zyl's withdrawal was to be seen in light of the investigation by PwC and the earlier comment made by the Chairperson that PwC had confirmed with respect to the nominees that none were implicated in any of the irregularities under investigation.

The Chairperson responded that Mr Kersten's suggestion with respect to Mr van Zyl was not correct, that had not been the reason for his withdrawal and that his statement concerning his withdrawal was in the public domain with his reasons stated. She also noted that Mr Van Zyl was included in the group in respect of whom PwC had confirmed that based on their investigation to date none were implicated in any of the irregularities under investigation.

There being no further questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 4.2 were as follows:

Percentage of votes against	18.20% of represented shares
Percentage of votes in favour	81.80% of represented shares

#### **4.3 Agenda item 4.3: Proposal for appointment of Mr Theodore de Klerk as a member of the Management Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Management Board, Mr De Klerk for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Mr De Klerk's qualifications and concluded that he would be an excellent addition to the Management Board, as demonstrated from his performance as a member of the Company's executive committee since his appointment in January 2018 and his long tenure as Chief Executive Officer of Steinbuild, one of the group's material subsidiaries. The Nomination Committee had advised the Supervisory Board to nominate him for appointment with the intention to appoint him to the Management Board as Operational Director.

The Chairperson opened the floor for questions. There being no questions, the proposal

was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 4.3 were as follows:

Percentage of votes against	19.93% of represented shares
Percentage of votes in favour	80.07 % of represented shares

#### **4.4 Agenda item 4.4: Proposal for appointment of Mr Alexandre Nodale as a member of the Management Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Management Board, Mr Nodale for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Mr Nodale's qualifications and concluded that he would be an excellent addition to the Management Board, as demonstrated during his time as Deputy Chief Executive Officer of the Company since 19 December 2017 and his record in various positions in Conforama. The Nomination Committee had advised the Supervisory Board to nominate him for appointment with the intention to appoint him to the Management Board as Deputy Chief Executive Officer.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 4.5 were as follows:

Percentage of votes against	17.76% of represented shares
Percentage of votes in favour	82.24% of represented shares

#### **4.5 Agenda item 4.5: Proposal for appointment of Mr Louis du Preez as a member of the Management Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Management Board, Mr Louis du Preez for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination

Committee had discussed Mr du Preez' qualifications and concluded that he would be an excellent addition to the Management Board, as demonstrated during his time as Commercial Director of the Company since 19 December 2017 and his extensive experience in private practice advising clients on a variety of corporate and commercial matters. The Nomination Committee had advised the Supervisory Board to nominate him for appointment with the intention to appoint him to the Management Board as Commercial Director.

The Chairperson opened the floor for questions.

Mr Lungani Sibiyi asked if Mr du Preez was involved, in any capacity, in the court case in the Netherlands that led to the retraction of the financial statements to remove the basis of the complaint. Mr du Preez responded that he had not been involved and that that was before his time.

A shareholder (unnamed) asked whether there might exist a conflict of interest because of Mr du Preez' employment with Werksmans attorneys for more than 18 years and his ownership of shares in Werksmans and that he was currently working for Steinhoff and involved in legal matters. Mr du Preez responded that he left the partnership of Werksmans as an equity partner at the end of February 2017 and became a salary partner from 1 March until the end of May 2017 and then joined Steinhoff in June or July of last year. Mr du Preez stated that he had no ongoing interest in Werksmans.

There being no further questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 4.5 were as follows:

Percentage of votes against	2.43% of represented shares
Percentage of votes in favour	97.57% of represented shares

## **5. Agenda item 5: Composition of the Supervisory Board**

### **5.1 Agenda item 5.1: Notification of the non-binding nominations by the Supervisory Board of Ms Khanyisile Kweyama, Ms Moira Moses, Dr Hugo Nelson, Mr Peter Wakkie and Prof. Alexandra Watson for appointment to the Supervisory Board and of Dr Stefanus Booysen, Ms Angela Krüger-Steinhoff and Ms Heather Sonn for reappointment to the Supervisory Board (No Vote)**

The Chairperson presented the next agenda item to the meeting. She advised that agenda item no 5.1 was a non-voting item and comprises the notification to shareholders of the non-binding nominations by the Supervisory Board in relation to the appointments of Ms Khanyisile Kweyama, Ms Moira Moses, Dr Hugo Nelson, Mr Peter Wakkie and Prof Alexandra Watson to the Supervisory Board and of Dr Steve Booysen, Ms. Angela Krüger-Steinhoff and herself for re-appointment to the Supervisory Board. She explained that, with regards to the new nominees, the Supervisory Board had, throughout the current crisis, reiterated the need to strengthen its own independence. Each individual had undergone a rigorous selection process and the Supervisory Board was of the unanimous opinion that they collectively possessed the desired skills and expertise required by Supervisory Board. With regards to the reappointment of the current Supervisory Directors, they, as well as the Chairperson herself, had decided to put themselves forward for re-appointment in order to obtain a clear mandate from shareholders to continue in their roles. The Chairperson reiterated that the Managing Director (Mr van der Merwe), the nominees to the Management Board and the current Supervisory Directors and the Chairperson herself, would resign immediately in the event that the forensic investigation uncovered anything untoward in respect of any of them or herself. For the nominees to the Supervisory Board, PwC has confirmed that based on their investigation as at the date of the meeting to date, none were implicated in any of the irregularities under investigation.

**5.2 Agenda item 5.2: Proposal for appointment of Ms Khanyisile Kweyama as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Supervisory Board, Ms Khanyisile Kweyama for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had interviewed Ms Kweyama, discussed her qualifications and established that she fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate her for appointment to the Supervisory Board.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.2 were as follows:

Percentage of votes against	0.97% of represented shares
Percentage of votes in favour	99.03% of represented shares

**5.3 Agenda item 5.3: Proposal for appointment of Ms Moira Moses as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Supervisory Board, Ms Moira Moses for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had interviewed Ms Moses, discussed her qualifications and established that she fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate her for appointment to the Supervisory Board.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.3 were as follows:

Percentage of votes against	0.96% of represented shares
Percentage of votes in favour	99.04% of represented shares

**5.4 Agenda item 5.4: Proposal for appointment of Dr Hugo Nelson as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Supervisory Board, Dr Hugo Nelson for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had interviewed Dr Nelson, discussed his qualifications and established that he fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate him for appointment to the Supervisory Board.

The Chairperson opened the floor for questions.

There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results for agenda item 5.4 were as follows:

Percentage of votes against	3.27% of represented shares
Percentage of votes in favour	96.73%% of represented shares

**5.5 Agenda item 5.5: Proposal for appointment of Mr Peter Wakkie as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Supervisory Board, Mr Peter Wakkie for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2019. The Nomination Committee had interviewed Mr Wakkie, discussed his qualifications and established that he fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate him for appointment to the Supervisory Board.

Mr Armand Kersten asked why Mr Wakkie's appointment was for a term of one year only and what his role would be during his year of appointment. Mr Wakkie responded that he would turn seventy in June 2017 and that he has had a full working life and it remained to be seen how many trips to and from South Africa he would be able to handle during the year. He furthermore believed that, given his past experience, this year would be the year where he believed he could be of most value. He added that he would not beforehand rule out an extension of his term, provided that the shareholders would concur at that time.

A shareholder (unnamed) asked the Chairperson if Mr Wakkie had been considered for an executive role at the Company. The Chairperson responded that she believed that Mr Wakkie had already answered the question when he mentioned that he had had a full working life and that the Supervisory Board was very pleased that Mr Wakkie had agreed to be available for appointment to the Supervisory Board.

A shareholder (unnamed) stated that Mr Wakkie, in relation to his past tenure at Royal Ahold N.V., had made a comment in an interview that if a company is in deep trouble, its policy should be to keep matters under cover as long as possible and work very hard on a solution and, in another statement Mr Wakkie had said that it is better to get a fast deal with possible claimants instead of making the Company vulnerable to long

lasting litigation. The shareholder's question to Mr Wakkie was which Mr Wakkie the Company would get. The Chairperson reminded the shareholder in question that all questions are made through the Chair, and responded that each candidate has been interviewed, that concerns (if any) had been addressed and that each of the nominations had been based on the clear conviction that they would make an invaluable contribution.

The Chairperson opened the floor for questions. There being no further questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.5 were as follows:

Percentage of votes against	3.29% of represented shares
Percentage of votes in favour	96.71%% of represented shares

**5.6 Agenda item 5.6: Proposal for appointment of Prof. Alexandra Watson as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to appoint, as a member of the Supervisory Board, Ms Alexandra Watson for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had interviewed Ms Alexandra Watson, discussed her qualifications and established that she fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate her for appointment to the Supervisory Board.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.6 were as follows:

Percentage of votes against	0.96% of represented shares
Percentage of votes in favour	99.04% of represented shares

**5.7 Agenda item 5.7: Proposal for reappointment of Dr Stefanus Booysen as a**

### **member of the Supervisory Board**

It was proposed to the general meeting to reappoint Dr Stefan Booyesen as a member of the Supervisory Board for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Dr Booyesen's qualifications and established that he fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate him for appointment to the Supervisory Board.

The Chairperson opened the floor for questions.

A shareholder (unnamed) asked if Dr Booyesen would be able to focus on the Company's issues at hand given his positions on other boards. Dr Booyesen confirmed that he had capacity available to accept an appointment to the Supervisory Board. He noted that he believed that his close involvement and contribution of the past months had demonstrated that. He also noted that he expected that demands on his time would continue to be high and that he would remain committed and dedicated to his duties and responsibilities as a Supervisory Director.

There being no further questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.7 were as follows:

Percentage of votes against	43.13% of represented shares
Percentage of votes in favour	56.87% of represented shares

### **5.8 Agenda item 5.8: Proposal for reappointment of Ms Angela Krüger-Steinhoff as a member of the Supervisory Board (Resolution)**

It was proposed to the general meeting to reappoint Ms Angela Krüger-Steinhoff as a member of the Supervisory Board for a term that runs with effect from the conclusion of this meeting until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Ms Angela Krüger-Steinhoff's qualifications and established that she fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate her for appointment to the Supervisory Board.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.8 were as follows:

Percentage of votes against	40.69% of represented shares
Percentage of votes in favour	59.31% of represented shares

#### **5.9 Agenda item 5.9: Proposal for reappointment of Ms Heather Sonn as a member of the Supervisory Board (Resolution)**

As this agenda item concerned the re-appointment of the Chairperson herself as a member of the Supervisory Board, she handed over to Dr Steve Booysen.

It was proposed to the general meeting to re-appoint Ms Heather Sonn as a member of the Supervisory Board for a term that runs with effect from the conclusion of the AGM until the close of the Company's annual general meeting to be held in 2022. The Nomination Committee had discussed Ms Sonn's qualifications and established that she fits the profile of the Supervisory Board well. The Nomination Committee had advised the Supervisory Board to nominate her for appointment to the Supervisory Board.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 5.9 were as follows:

Percentage of votes against	19.91% of represented shares
Percentage of votes in favour	80.09% of represented shares

Before presenting the next agenda item, the Chairperson noted that agenda item 5.10 (the appointment of Mr van Zyl to the Supervisory Board) had been withdrawn as indicated earlier.

#### **6. Agenda item 6: Remuneration (Resolution)**

The Chairperson presented the next agenda item to the meeting. It concerned the proposal to establish the remuneration of the members of the Supervisory Board for the period to the end of the annual general meeting to be held in 2019. She explained that since the notice of general meeting was published on 9 March 2018, the Company had received a number of responses and opinions from shareholders in relation to this resolution and it had also received a great deal of media attention. She further explained that, as originally proposed, the resolution contained three elements; (i) proposed remuneration for Supervisory Directors until the 2019 AGM; (ii) additional one-off payments for the period up to the 2018 AGM for Supervisory Directors who had been involved in considerable additional work since the crisis broke in late 2017; and (iii) the proposed remuneration for additional meetings that Supervisory Directors would likely to have to attend in addressing the recovery and restructuring of the Company in the coming months. In light of the feedback received from a number of stakeholders, it became clear that the motivation behind the proposals for the additional one-off payments and the payments for additional meetings had not been fully communicated and the Supervisory Board members who were to receive these additional payments requested that such matters not be pursued at this meeting. As a result, on 5 April 2018, the Company announced on the FSE and JSE news services that the Supervisory Board had determined that those parts of the remuneration resolution relating to these additional payments would not be put to shareholders at this meeting. A revision of the notice reflecting those deletions was made available on the Company's website on the same day. It was explained that these deletions do not affect the content of the remaining resolutions. While the additional one-off payments and additional meeting payments were no longer being proposed at this meeting, the view remained that the proposals were appropriate in light of the Company's current circumstances, for the reasons outlined in its announcement on 5 April 2018. As a result, these matters would be considered further by the newly constituted Supervisory Board which was appointed today, and specifically its Human Resources and Remuneration Committee, which may decide to prepare a Supervisory Board proposal for shareholder approval at an appropriate time in the future. With the deletions made to the remuneration resolution, the resolution now consisted of only one element, i.e. the proposal to set the standard fees of the Supervisory Directors for a term that runs until the close of the Company's annual general meeting to be held in 2019. The Company consulted external consultants (PwC) and had followed their advice in determining the level of fees for Supervisory Directors. The proposed remuneration was determined with reference to competitors and peer companies as well as considering the need to retain and attract Supervisory Board members in light of the Company's situation. The level of fees was set by reference to the responsibilities assumed by the Supervisory Directors, including in chairing or being a member of the

Supervisory Board's committees. The proposed fees for 2018 include no increase on the fee level of 2017. The Chairperson proposed that the proposed fees as contained in the meeting notice be taken as read.

The Chairperson further explained that each Supervisory Director would also enter into a customary contractual indemnity with the Company in respect of losses and associated costs suffered by the Supervisory Director as a result of acts or omissions in the exercise of their duties as a member of the Supervisory Board and any other duties performed at the request of the Company and that the indemnity would not cover claims brought by the Company itself and would be subject to customary carve outs and that each Supervisory Director would be entitled to cover under the Company's D&O policy.

The Chairperson opened the floor for questions. There being no questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 6 were as follows:

Percentage of votes against	20.66% of represented shares
Percentage of votes in favour	79.34% of represented shares

#### **7. Agenda item 7: Other Corporate Affairs (Resolution)**

The Chairperson presented the next agenda item to the meeting. It concerned the proposal to appoint Deloitte Accountants B.V. as the Company's external auditor for its 2018 financial year (running from 1 October 2017 to 30 September 2018), with Mr Johan Hopmans as the nominated Audit Partner.

The Chairperson informed the meeting that the Company had received feedback from its stakeholders in relation to the proposed re-appointment of Deloitte and noted that the matter has also been covered in the media. In light of the feedback, the Chairperson explained that the Company was not opposed to a rotation of auditors but believed strongly that the continuation of Deloitte as auditor until the end of the current financial year in September 2018 was essential and in the best interests of the Company and its stakeholders. She further explained that it would be too disruptive to change auditor halfway through the year which could result in unacceptable delays to the production of the Company's audited consolidated financial statements for 2017 and the revised financial statements for earlier years. These were a matter of urgency for the Company and its stakeholders and Deloitte was already involved in auditing these accounts. Any

delay in their production could affect the Company's dealings with its stakeholders who required the certainty of audited financial statements. She further explained that the audited financial statements were also essential for the group as it considered its options for restructuring and the potential retention or disposal of assets to secure its financial position. She emphasised that, subsequent to the 2018 audit, the appointment of an audit firm for the Company's 2019 financial year would be subject to a tender process. The Chairperson then invited Mr Johan Hopmans of Deloitte to introduce himself to shareholders and to make a statement in respect of Deloitte's nomination to be appointed as the Company's external auditor for the financial year ending 30 September 2018. Mr Hopmans made the following statement:

*"Thank you, Mrs Sonn for giving me the opportunity to say a few words during your meeting. As Deloitte Accountants Netherlands we appreciate the proposal that the Boards have put forward for our reappointment as external auditor for the 2018 financial statements of Steinhoff International Holdings N.V. You have just explained your reasons for your nomination of us. In light of the difficult situation Steinhoff is in, it is obvious that Deloitte have carefully considered the proposed resolution. In our opinion there is no impediment for us to be able to accept such a proposal, provided of course that you as shareholders accept the proposal. Since 1 January of this year, I am the responsible audit partner for the audit of the financial statements of Steinhoff. That means the 2017 financial statements. Currently, we are in the middle of the process of auditing that. It was upon our request that an investigation is being conducted and the Boards of Steinhoff have instructed PwC to conduct such an investigation. It was already indicated in one of the responses of earlier today, that the outcome of that investigation is prerequisite for us to be able to conclude on the audit of the 2017 financial statements. You will appreciate that I cannot yet prelude on the outcome of that audit. Thank you."*

The Chairperson opened the floor for questions.

Mr Kersten noted that the VEB had sent a number of questions in writing to Deloitte already. He commented that he found it remarkable that that apparently there were no systems in place to detect instances of fraud as far as the Deloitte audit as concerned. With reference to his statement, Mr Hopmans responded that he had been involved in the audit since the beginning of this year. He could not comment on prior year audits. He noted that the external regulators of Deloitte are looking into the audits that Deloitte performed previously and that Deloitte were cooperating with their investigations and that, as far as Deloitte were aware, no conclusions had been drawn yet, with respect to the mistakes or alleged mistakes of Deloitte.

Mr Kersten asked whether Mr Hopmans shared his view that it was bizarre the general meeting was now voting for the auditor of the financial year 2018 but there are no financial reports for 2015, 2016 and 2017. The Chairperson responded that a recommendation for the appointment of the external auditor had been made to the shareholders as provided in the notice and that the following priorities had been set: first to let PwC complete their forensic investigation and second to publish audited financial statements as soon as possible.

There being no further questions, the proposal was put to a vote. Shareholders having cast their votes, the Chairperson confirmed that the proposal had been adopted.

The voting results (in percentages) for agenda item 7 were as follows:

Percentage of votes against	27.18% of represented shares
Percentages of votes in favour	72.82% of represented shares

#### **8. Agenda item 8: Any other business**

The Chairperson opened the floor for questions.

A shareholder asked why the Management Board did not have a diverse composition like the Supervisory Board now had. The Chairperson responded that diversity was a matter for the Supervisory Board to take forward and noted the concern. She referred to the process the Supervisory Board went through in externally searching for and nominating candidates for the Management Board.

Mr Frank Peeters asked the Chairperson to confirm that the minutes of the meeting could be made available to the public within 7 days after the meeting as a sign of the Chairperson's commitment to provide information. The Company Secretary responded that he believed it was important to reflect the observations and considerations made during the meeting correctly. He also noted that the Dutch Corporate Governance Code afforded the Company more time.

Mr Armand Kersten asked whether any of the regulators in South Africa, Germany or the Netherlands had set any additional terms for the Company to remain listed. Mr du Preez said that BaFin had published a ruling. The Company Secretary confirmed that no additional terms were imposed to remain listed.

Mr Armand Kersten asked if there was a danger of suspension of listings at this moment. Mr du Preez confirmed that there was not.

A shareholder asked if a breakdown could be provided of the costs incurred by the Company for Werksmans, Linklaters, Deloitte, PwC, restructuring advice, and investment banks engaged for disposal of assets.

Mr du Preez answered that the Company would disclose its professional costs in June, that the costs were substantial and that the Company was trying to reduce the costs.

Mr Thomas Ahrens, VEB, referred to the Company's articles of association and said that they provided that at the annual general meeting, the annual accounts should be discussed and said that under the Dutch Civil Code any act and any decisions in violation of the articles of association were null and void. He asked whether the Chairperson was aware of this and what her response was.

The Company Secretary responded that the Company under Dutch law was obliged to hold one general meeting per year and that the current meeting served to meet that obligation.

Mr Armand Kersten referred to the Company' articles of association and noted that it contained an exhaustive list of items that must be included in an agenda for a meeting to constitute an annual general meeting of shareholders and that this meeting should perhaps have been called an extraordinary general meeting of shareholders instead. The Company Secretary responded that he realised that the articles of association contained the list of items but that one cannot place an item, such as the adoption of the annual financial statements, on the agenda when the content for such item is not available.

The Chairperson confirmed that there were no further questions or other business before the meeting.

## **9. Agenda item 9: Closing**

The Chairperson thanked the Managing Director and the Supervisory Directors and all shareholders present for attending the meeting and the staff of Computershare Netherlands for their assistance with the meeting. She also thanked representatives of Simmons & Simmons, Amsterdam and Deloitte Accountants B.V. for attending the meeting and the Company Secretary for the arrangements made in regard to the meeting. The Chairperson closed the meeting at 16:43 pm CET.

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Ms H. Sonn, Chairperson of the Supervisory Board

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Mr N.E. van Gellicum, Company Secretary

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