

**NOTICE OF ANNUAL GENERAL MEETING  
FOR THE YEAR ENDED 30 JUNE 2011**



**STEINHOFF INTERNATIONAL HOLDINGS LIMITED  
(Registration number: 1998/003951/06)**

# Notice of annual general meeting

For the year ended 30 June 2011

Notice is hereby given that the 13th annual general meeting of the shareholders of Steinhoff International Holdings Limited (registration number 1998/003951/06) (Steinhoff or the company or the group) will be held at 10:00 in the auditorium of the company, at 28 Sixth Street, Wynberg, Sandton, on Monday, 5 December 2011, for the purpose of dealing with the following business and, if deemed fit, of passing, with or without modification, the resolutions set out below.

## Purpose

The purpose of the meeting is to transact the business set out in the agenda below. For the avoidance of doubt, the memorandum and articles of association of the company are referred to as the memorandum of incorporation in accordance with the terminology used in the new Companies Act 2008 (Act 71 of 2008), as amended (the Companies Act), which became effective on 1 May 2011.

In order for the proposed ordinary resolutions to be adopted, with the exception of ordinary resolution number 4, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required. In respect of the special resolutions set out below and in respect of ordinary resolution number 4, the support of at least 75% of the total number of votes which the shareholders present or represented by proxy are entitled to cast is required.

## Agenda

### Ordinary business

1. To adopt and approve the audited annual financial statements of the company for the year ended 30 June 2011 together with the report of the directors and the auditors thereon and the audit committee report.
2. To reappoint, on the recommendation of the audit committee, Messrs Deloitte & Touche of Pretoria (the firm) as auditors of the company as contemplated under section 90 of the Companies Act, 71 of 2008 (the Act), with Udo Böhmer, a registered auditor and member of the firm as the individual who will undertake the audit.

### 3. Special resolution number 1

To consider and, if deemed fit, to pass, with or without modification, the following resolution as a special resolution:

Resolved that the company is authorised to pay remuneration to directors for their services as directors during the period commencing from the date of this special resolution until the next annual general meeting, as follows:

- 3.1 the remuneration (fees) for executive directors, which fees are payable with basic remuneration, to be set at **R664 000** (2011: **R624 000**) per annum;
- 3.2 the remuneration (fees) for non-executive directors to be set as follows:

	2012
	R
<b>Board</b>	
3.2.1 Independent non-executive chairman (all inclusive fee)	<b>1 380 000</b>
Members (69 000 per meeting)	<b>276 000</b>
Annual retainer (in respect of informal commitments):	<b>69 000</b>
3.2.2 Total	<b>345 000</b>
<b>Committee fees</b>	
3.2.3 Audit:	
Chairman	<b>300 000</b>
Member	<b>150 000</b>
3.2.4 Human resources and remuneration:	
Chairman	<b>138 000</b>
Member	<b>70 000</b>
3.2.5 Group risk overview	<b>30 000</b>
3.2.6 Nominations	<b>14 500</b>
3.2.7 Social and ethics	
Chairman	<b>45 000</b>
Member (non-executive)	<b>30 000</b>

The abovementioned fees reflect an increase of approximately 8% to those approved at the previous annual general meeting.

Each of the special resolutions set out in paragraphs 3.1 and 3.2.1 to 3.2.7 will be considered separately.

*Reason for and effect of the special resolution*

The reason for this special resolution is that shareholders are required to pre-approve the payment of remuneration to directors for their services as directors by way of passing a special resolution in terms of section 66(9) of the Act. The effect of this special resolution, if approved, will be that the company will be authorised to pay the aforementioned remuneration to its directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

4. To individually elect directors in place of the following directors who retire by rotation in accordance with the memorandum of incorporation and who, being eligible, offer themselves for re-election:
  - 4.1 DC Brink\*;
  - 4.2 JF Mouton;
  - 4.3 FA Sonn\*; and
  - 4.4 BE Steinhoff\*.

*\* In terms of article 50.9 of the memorandum of incorporation, these directors shall retire from office at every annual general meeting of the company.*

The reason for the ordinary resolutions set out in paragraphs 4.1 to 4.4 (inclusive) is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at the AGM and, being eligible, may offer themselves for re-election as directors.

*The proposed re-election of the above directors has received the support of the nominations committee and will be considered separately.*

*Summarised curriculum vitae of DC Brink*

**David Charles Brink (72)**

MSc Eng (Mining), DComm (hc), Graduate Diploma in Company Direction

Dave was appointed to the Steinhoff International board as an independent non-executive director in December 2007.

Dave is a board member of the National Business Initiative, chairman of the Business Trust and a vice president of the Institute of Directors in South Africa. He is also a member of the Millennium Labour Council. In 2010 Dave was appointed by the board of Steinhoff International as the lead independent non-executive director.

*Summarised curriculum vitae of JF Mouton*

**Johannes Fredericus Mouton (65)**

BComm (Hons), CA(SA), AEP

Jannie was appointed to the Steinhoff International board as an independent non-executive director in October 2002.

Jannie started his career with Federale Volksbeleggings Limited as financial manager and after a period as financial director with Kanhym Limited, established Senekal Mouton and Kitshoff Inc, a stockbroking company and member of the JSE. He served as member of several JSE committees and was instrumental in various corporate transactions. He has 35 years' experience in financial management and investment banking. He is chairman of the PSG Group, Zeder Investments, Paladin Capital, ex-chairman of Capitec Bank, Channel Life and various companies in the PSG Group and serves on the board of Pioneer Food Group Limited. He also serves as a trustee of various trusts administered on behalf of the University of Stellenbosch.

*Summarised curriculum vitae of FA Sonn*

**Franklin Abraham Sonn (72)**

BA, HdipEd (Hons), FIAC

Franklin was appointed to the Steinhoff International board as an independent non-executive director in 2002.

He was appointed as South Africa's first democratic ambassador to the United States of America from 1995 to 1998 and returned to South Africa in 1999. He is the recipient of 13 honorary doctorates in law, education, humanities and philosophy from various institutions in South Africa, Europe and North America. He served as rector of Peninsula Technikon now Cape Peninsula University of Technology, for 17 years. He is the former President of the Afrikaanse Handelsinstituut and served as chancellor of the University of the Free State from 2002 to 2009. Current board positions, among others, include JIA Piazza (Proprietary) Limited (holding company for the 5-star Airport Sun Inter Continental Hotel at OR Tambo Airport), Imalivest (Proprietary) Limited, African Star Ventures (Proprietary) Limited, Kwezi V3 Engineers, Ekapa Mining (Proprietary) Limited as well as non-executive director of Macsteel Service Centres SA, RGA Reinsurance Company of South Africa, Esorfranki Limited and Xinergistix Management Services (Proprietary) Limited. He is a trustee of the WWF SA and the Desmond Tutu Peace Trust.

## Notice of annual general meeting

For the year ended 30 June 2011 (continued)

### *Summarised curriculum vitae of BE Steinhoff*

#### **Bruno Ewald Steinhoff (73)**

Bruno is the founder of the Steinhoff group and was chairman of Steinhoff International until the end of September 2008.

He relinquished executive duties with effect from 1 April 2008 and continues to serve as non-executive director. After studying industrial business, Bruno started his furniture trade and distribution business in June 1964 in Westerstede, Germany. In 1971, he expanded the business into manufacturing with the first upholstery factory in Remels. During the 1980s, Bruno acquired interests in central and eastern Europe and in a joint venture in South Africa with Claas Daun involving Gommagomma Holdings. He has 45 years' experience in the furniture business and more than 35 years' manufacturing experience. Bruno also serves on the regional board of Commerzbank for northern Germany

5. To individually ratify the appointment of the following directors:

5.1 PDJ van den Bosch as a non-executive director with effect from 10 December 2010;

5.2 TLJ Guibert as an executive director with effect from 30 May 2011; and

5.3 MT Lategan as a non-executive director with effect from 23 September 2011.

The reason for the ordinary resolutions set out in paragraphs 5.1 to 5.3 (inclusive) is the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that the appointment of new directors be confirmed at the next annual general meeting following their appointment.

*The appointment of the above directors were recommended by the nominations committee and the proposed ratifications will be considered separately.*

### *Summarised curriculum vitae of PDJ van den Bosch*

#### **Paul van den Bosch (49)**

VEcon, MBA

Paul was appointed to the Steinhoff International board as non-executive director December 2010.

Paul joined HabufaMeubelen B.V. in Hapert in 1985 after the completion of his studies at the European University in Antwerp. He is currently the general manager of the Van den Bosch Beheer Group B.V. During this time Paul founded Henders & Hazel® concept. He is a member of the Round Table of Neerpelt in Belgium who actively drive and promote activities around social and economic issues in that region.

### *Summarised curriculum vitae of TLJ Guibert*

#### **Thierry Guibert (40)**

MBA (FR)

Thierry is the chief executive of Conforama and was appointed to the board of Steinhoff International as an executive director in May 2011.

After graduating from the Reims Business School, Thierry began his career in 1995 as an auditor at KPMG. He then joined the previous holding company of Conforama, the French listed PPR Group, in 1999. Following various financial positions held within PPR, Thierry was appointed as CFO and COO of FNAC, a European retailer within the same group. Thierry has, since 2008, held the position of chairman and chief executive officer of Conforama, the European household goods retailer acquired by Steinhoff in March 2011.

### *Summarised curriculum vitae of MT Lategan*

#### **Marthinus Theunis Lategan (54)**

DComm, CA(SA)

Theunie was appointed to the Steinhoff International board as an independent non-executive director on 23 September 2009.

Theunie is chairman of Rare Holdings, an AltX listed company and has since 2007 served as a member of the council of the University of the Witwatersrand. He is also a member of the Racing Association. Theunie lectured in Accounting and Taxation at the University of Johannesburg until 1987, after which he returned to practice with PricewaterhouseCoopers. He joined Rand Merchant Bank in 1994 and later became head of their structured finance unit. In 1999 he became chief executive officer for the corporate banking unit of First National Bank. In 2004 he was appointed to the executive management committee of the FirstRand Group and served on various committees. In 2005, Theunie was appointed chief executive officer for FirstRand Africa and Emerging Markets and, in 2007, he relocated to India to set up FirstRand Banking Group, India. He retired from the FirstRand Group in July 2010.

In addition to his appointment as non-executive director, Theunie has also been appointed as a member of Steinhoff's audit committee.

6. To elect or re-elect, as the case may be, the following independent non-executive directors individually as members of the audit committee until the next annual general meeting:

6.1 SF Booysen (Chairman);

6.2 DC Brink; and

6.3 MT Lategan.

The reason for the ordinary resolutions set out in paragraphs 6.1 to 6.3 (inclusive) is that the company, being a public-listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

*The board is satisfied that the above persons are suitably skilled and experienced independent non-executive directors and that they collectively possess the appropriate experience and qualifications to fulfil their duties as contemplated in regulation 42 of the Companies Regulations 2011. The appointment of the individual members of the audit committee will be conducted by way of a separate vote.*

*Summarised curriculum vitae of SF Booysen*

**Stefanes Francois Booysen (49)**

BCompt Hons (Accounting), MCompt DComm (Accounting), CA(SA)

Steve was appointed to the Steinhoff International board as an independent non-executive director on 8 September 2009.

He completed his articles with Ernst & Young and acted as lecturer at the University of South Africa. In 2006 he was appointed as Council Member of the University of Pretoria. Steve is the former group chief executive officer of Absa Group Limited. Steve also serves on the boards of Clover Limited and Senwes Limited.

*Summarised curriculum vitae of DC Brink*

**David Charles Brink (72)**

MSc Eng (Mining), DComm (hc), Graduate Diploma in Company Direction

Dave was appointed to the Steinhoff International board as an independent non-executive director in December 2007.

Dave is a board member of the National Business Initiative, chairman of the Business Trust and a vice president of the Institute of Directors in South Africa. He is also a member of the Millennium Labour Council. In 2010 Dave was appointed by the board of Steinhoff International as the lead independent non-executive director.

*Summarised curriculum vitae of MT Lategan*

**Marthinus Theunis Lategan (54)**

DComm, CA(SA)

Theunie was appointed to the Steinhoff International board as an independent non-executive director on 23 September 2009.

Theunie is chairman of Rare Holdings, an AltX listed company and has since 2007 served as a member of the council of the University of the Witwatersrand. He is also a member of the Racing Association. Theunie lectured in Accounting and Taxation at the University of Johannesburg until 1987, after which he returned to practice with PricewaterhouseCoopers. He joined Rand Merchant Bank in 1994 and later became head of their structured finance unit. In 1999 he became chief executive officer for the corporate banking unit of First National Bank. In 2004 he was appointed to the executive management committee of the FirstRand group and served on various committees. In 2005, Theunie was appointed chief executive officer for FirstRand Africa and Emerging Markets and, in 2007, he relocated to India to set up FirstRand Banking Group, India. He retired from the FirstRand Group in July 2010.

**Special business**

**7. Ordinary resolution number 1**

Resolved that, as a general authority, subject to the listings requirements of the JSE Limited (the listings requirements) and the Act, **145 000 000 (one hundred and forty five million)** ordinary shares of 0.5 cents (one half of a cent) each and **15 000 000 (fifteen million)** non-cumulative, non-redeemable, non-participating preference shares of 0.1 cent (one tenth of a cent) each, with or without rights to convert to ordinary shares in the authorised but unissued share capital of the company be and they are hereby placed under the control of the directors of the company, until the next annual general meeting, to allot and issue such shares to such person(s) and on such terms and conditions as the directors may in their sole discretion determine.

## Notice of annual general meeting

For the year ended 30 June 2011 (continued)

### 8. Ordinary resolution number 2

Resolved that, subject to compliance with the listings requirements and the Act, **20 000 000 (twenty million)** unissued ordinary shares of 0.5 cents (one half of a cent) each in the authorised but unissued share capital of the company be placed under the control of the directors for the continued implementation of the Steinhoff International Incentive Schemes, and for the fulfilment of the obligations of the company under the Unitrans Limited Share Incentive Scheme.

#### *Reason for and effect of this resolution*

The number of shares for which this authority is sought is significantly below the number authorised and falls within the authority granted by shareholders at the annual general meeting held on 6 December 2010. Taking cognisance of the current obligations assumed under the various share incentive schemes administered by the group, it is anticipated that approximately **15 600 000 (fifteen million six hundred thousand)** shares may be required for issue during the period from the annual general meeting to be held on 5 December 2011 to the date of the next annual general meeting. These shares have been authorised and reserved in terms of authorities previously granted by shareholders. The rights granted under the 2007 grant did not vest in 2010 and were thus forfeited.

### 9. Special resolution number 2

To consider and, if deemed fit, to pass with or without modification, the following resolution as a special resolution:

Resolved that the acquisition by the company of shares issued by it, on such terms and conditions as may be determined by the directors, and the acquisition by any subsidiary of the company of shares issued by the company, on such terms and conditions as may be determined by the directors of any such subsidiary, be approved as a general approval in terms of section 48 of the Act, subject to the relevant provisions of the Act and to the listings requirements in force at the time of acquisition and provided that:

- 9.1 such acquisition is permitted in terms of the Act and the company's memorandum of incorporation;
- 9.2 this authority shall not extend beyond 15 (fifteen) months from the date of this meeting or until the date of the company's next annual general meeting whichever is the sooner;
- 9.3 this authority be limited to a maximum of 20% (twenty per cent) of the issued share capital of that class in one financial year; provided that the acquisition of shares by a subsidiary of the company may not, in any one financial year, exceed 10% (ten per cent) in the aggregate of the number of issued shares of the company;
- 9.4 repurchases shall not be made at a price more than 10% (ten per cent) above the weighted average of the market value of the securities traded for the 5 (five) business days immediately preceding the date on which the transaction is effected;
- 9.5 the repurchase of securities will be implemented through the order book operated by the JSE trading system (open market) and without any prior understanding or arrangement with any counterparty;
- 9.6 the company will, at any point in time, appoint only one agent to effect any repurchase(s) on the company's behalf;
- 9.7 such repurchase(s) shall not occur during a prohibited period as defined in the listings requirements unless implemented in accordance with a repurchase programme which commenced prior to the prohibited period;
- 9.8 when 3% (three per cent) of the initial number, i.e. the number of shares in issue at the time that the general authority from shareholders is granted, is cumulatively repurchased and for each 3% (three per cent) in aggregate of the initial number acquired thereafter, an announcement shall be made in accordance with the listings requirements;
- 9.9 a resolution by the board of directors has been passed authorising any repurchase, and confirming that the company has passed the solvency and liquidity test and that, since the test was done, there have been no material changes to the financial position of the group: and
- 9.10 a certificate by the company's sponsor in terms of paragraph 2.12 of the listings requirements confirming the statement by the directors regarding working capital referred to hereunder in this notice convening the meeting shall be issued before the commencement of any repurchase.

#### *Reason for and effect of the special resolution*

The reason for this special resolution is to obtain shareholder approval for the directors to repurchase shares of the company and for any subsidiary of the company to acquire shares issued by the company subject to the Act and the listings requirements. The board does not intend to use such power unless prevailing circumstances (including the tax dispensation and market conditions) warrant such a step. All required certificates and relevant statements shall be issued. The effect of the passing and registration of this resolution will be that the directors will have the authority to implement a general repurchase of shares in accordance with the provisions of the Act and the listings requirements.

A repurchase of shares is not contemplated at the date of this notice. However, the board believes it to be in the interest of the company that shareholders grant a general authority to provide the company with optimum flexibility to repurchase shares as and when an opportunity that is in the best interest of the company arises.

*Information and statement relating to this special resolution*

In accordance with paragraph 11.26 of the listings requirements, the attention of shareholders is drawn to:

- The importance of this resolution. Should shareholders be in any doubt as to what action to take, they are advised to consult appropriate independent advisors.
- The following information, details of which are reflected in Annexure A, distributed to shareholders with this notice:
  - directors and management of the company and its subsidiaries;
  - major shareholders of the company;
  - directors' interests in the company's securities; and
  - share capital of the company.

*Directors' statement*

- The directors, whose names are given in Annexure A, collectively and individually accept full responsibility for the information given in this notice and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made.
- There have been no material changes in the financial or trading position of the group since the publication of the financial results for the year ended 30 June 2011 and the date of this notice.
- The directors are not aware of any information on any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had, in the previous 12 (twelve) months, a material effect on the group's financial position.

The directors are of the opinion, after considering the effect of a maximum repurchase of shares, that, for a period of 12 (twelve) months after the date of this notice:

- the company shall meet the solvency and liquidity test as contemplated by section 46(g) of the Act;
- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group;
- the company and the group will have adequate ordinary capital and reserves; and
- the working capital and reserves of the company and the group will be adequate for ordinary business purposes.

**10. Ordinary resolution number 3**

General authority to distribute share capital and/or reserves to shareholders:

Resolved that the directors be authorised, by way of a general authority, to distribute to shareholders of the company any share capital, share premium and reserves of the company in terms of section 46 of the Act, the listings requirements and article 56A of the company's memorandum of incorporation, with or without the right to receive shares as a capitalisation award.

Such general authority will provide the board with the flexibility to distribute any surplus capital of the company in cash and/or by capitalisation award to its shareholders, provided that:

- the general authority shall be valid until the next annual general meeting of the company or for 15 (fifteen) months from the passing of this ordinary resolution, whichever period is the shorter;
- any general payment by the company shall not exceed 20% (twenty per cent) of the company's issued share capital and reserves, excluding minority interests and any revaluation of assets and intangible assets that are not supported by an independent professional acceptable to the JSE Limited;
- the directors be authorised to afford shareholders the right to receive capitalisation awards or instead to elect to receive a cash distribution contemplated in respect of this resolution;
- any general payment and/or capitalisation award is made pro rata to all shareholders; and
- a resolution of the board of directors has been passed authorising the distribution and confirming that the company has passed the solvency and liquidity test and that, since the test was done, there have been no material changes to the financial position of the group.

Shareholders are referred to the 'information and statement' under special resolution number 2, which information applies *mutatis mutandis* to this resolution.

# Notice of annual general meeting

For the year ended 30 June 2011 (continued)

## 11. Ordinary resolution number 4

Resolved that the directors of the company be and are hereby authorised in terms of article 26.2 of the company's memorandum of incorporation, subject to the listings requirements and the provisions of section 41 of the Act to create and issue convertible debentures, debenture stock, bonds, in respect of any adjustments regarding existing convertible instruments or other convertible instruments in the capital of the company or any of its subsidiaries up to a maximum of **150 000 000 (one hundred and fifty million)** ordinary shares of 0.5 cents (one half of a cent) each in the capital of the company, subject to a conversion premium of not less than 20% (twenty per cent) above the volume weighted traded price of the shares in the company for the three trading days prior to pricing and to such conversion and such other terms and conditions as the directors may determine in their sole and absolute discretion, which authority shall be valid only until the next annual general meeting of the company or 15 months from the date of the passing of this resolution, whichever is the earlier.

It being recorded that any additional ordinary shares in the capital of the company which may arise from an adjustment(s) to the respective conversion prices of the existing convertible bonds issued by the company or any subsidiary, convertible into the capital of the company may be procured from the authority granted in terms of this ordinary resolution number 4.

The company will, after effecting any such issue which represents, on a cumulative basis within a financial year, 5% (five per cent) or more of the number of shares in issue prior to that issue, publish an announcement containing full details of the issue, or any other announcements that may be required in such regard in terms of the listings requirements as applicable from time to time.

A 75% (seventy five per cent) majority of votes cast by those shareholders present or represented and voting at the general meeting will be required in order for ordinary resolution number 4 to become effective.

## 12. Ordinary resolution number 5

To consider and, if deemed fit, to pass with or without modification the following non-binding resolution:

Resolved that the remuneration policy as set out in Annexure B be endorsed by way of a non-binding advisory vote.

## 13. Special resolution number 3

To consider, and if deemed fit, to pass the following resolution, with or without modification, as a special resolution:

Resolved that, to the extent required, the shareholders approve the following –

- the provision by the company of direct or indirect financial assistance to any related or inter-related company (as defined in the Act ) by way of a general authority in favour of that category of recipients as contemplated in terms of section 45(3)(a)(ii) of the Act;
- the provision by the company of direct or indirect financial assistance for purposes of the company and/or its subsidiary or related or inter-related companies entering into funding and facility agreements and debt capital market and domestic medium term note programmes with financing, banking and investment institutions in respect of facilities and funding afforded to the group and/or any one or more of the subsidiary, related or inter-related companies; and
- any subordination by the company of its claims held on shareholder's and/or inter-company (related-company) loan accounts against any subsidiary and/or related or inter-related company.

### *Reason for and effect of the special resolution*

In terms of section 45 of the Act, a company is required to obtain shareholder approval, by way of passing a special resolution, for the provision by it of direct or indirect financial assistance.

The company has at all relevant times and prior to the effective date of 1 May 2011 of the Act, provided financial assistance to its subsidiary and related and inter-related companies, directly and indirectly, for the benefit of such subsidiary or related or inter-related companies and the group. To facilitate the achievement by the group of its strategic goals, it is necessary that this assistance continue.

- The board is satisfied or will satisfy itself that: immediately after providing any direct or indirect financial assistance approved in terms of this resolution, the company will satisfy the solvency and liquidity test and, to the extent required, will conduct such further tests; and
- the terms under which the existing financial assistance has been provided prior to the effective date of the Act and the financial assistance to be given in respect of any subsidiary, related or inter-related company, are or will be fair and reasonable to the company.



The reason for this special resolution is that, from time to time, the company provides financial assistance to subsidiaries and other related companies within the group. The effect of this special resolution is that the company will be authorised to provide financial assistance to subsidiaries and other related parties within the group.

**14. General**

To transact such other business as may be transacted at an annual general meeting.

**15. Authority**

Any director or secretary of the company, for the time being, be and is hereby authorised to take all such steps and sign all such documents and to do all such acts, matters and things for and on behalf of the company as may be necessary to give effect to the special and ordinary resolutions passed at the annual general meeting.

By order of the board

**Steinhoff Africa Secretarial Services (Proprietary) Limited**

Company secretary  
4 November 2011

**Registered office**

28 Sixth Street  
Wynberg  
Sandton  
(PO Box 1955, Bramley, 2018)

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company (the share register) for purposes of being entitled to receive this notice is Friday, 28 October 2011.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this meeting is Friday, 25 November 2011, with the last day to trade being Friday, 18 November 2011.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly bring a copy of their identity document, passport or drivers' licence to the annual general meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 10:00 on Thursday, 1 December 2011.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary Letter of Representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

## Notice of annual general meeting

For the year ended 30 June 2011 (continued)

### Electronic participation

Should any shareholder of the company wish to participate in the annual general meeting by way of electronic participation, that shareholder shall make application in writing, including details as to how the shareholder or its representative can be contacted to participate, to the company secretary (copy to the transfer secretaries) at the applicable addresses set out below at least five business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholder (or its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Act and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation.

#### Company secretary:

28 Sixth Street  
Wynberg, Sandton  
2090  
(PO Box 1955, Bramley 2018)  
Telefax: +27 11 445 3094

#### Transfer secretaries:

70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown 2107)  
Telefax: +27 11 688 5248

---

## Annexure A: Information and statement relating to special resolution number 2 and ordinary resolution number 3

---

### Steinhoff International Management

#### NORTHERN HEMISPHERE

Markus Jooste (50)

CEO: Steinhoff Europe

Dirk Schreiber (40)

CFO: Steinhoff Europe

#### Retail

Thierry Guibert (40)

CEO: Conforama

Alexandre Nodale (33)

CFO: Conforama

Peter Pohlman (68)

Chairman: European Retail Management

James Moore (52)

MD: European Retail Management

Philip Dieperink (55)

CFO: UK Group

Sean Summers (58)

Chairman: UK retail

#### Manufacturing and sourcing

Gerrit Venter (38)

CFO: Steinhoff Europe Upholstery

Jürgen Mussmann (49)

COO: Steinhoff Europe Upholstery

Gavin van der Merwe (51)

MD: International Sourcing

Ian Topping (51)

Chairman: UK Manufacturing

Tom Huang (37)

International Sourcing executive

Florence Ballanant-Alliou (40)

International Sourcing executive

#### Logistics

Rudi Roex (47)

MD: International logistics

Johan Geurts (45)

MD: Global warehouse

#### SOUTHERN HEMISPHERE

Danie van der Merwe (53)

CEO: Southern Hemisphere

Ben la Grange (37)

CFO: Southern Hemisphere

#### Retail: Asia Pacific

Bob Tucker (44)

CEO: Steinhoff Asia Pacific

Michael Gordon (45)

CFO, MD: Group services

#### Manufacturing and sourcing

Chris van Niekerk (64)

Chairman: PG Bison

Jan van der Merwe (52)

CEO: PG Bison

Gary Chaplin (40)

Director (CEO designate): PG Bison

Frans Human (56)

MD: Vitafoam

Nico Siebrits (51)

MD: DesleeMattex and BCM

#### Logistics

Jo Grové (62)

CEO: Unitrans

Frank Wagner (50)

MD: Unitrans Supply Chain Solutions

Nico Boshoff (54)

MD: Unitrans Passenger

#### International Group Services

Frikkie Nel (52)

FD: Steinhoff International

Stéhan Grobler (52)

Director: Treasury services and finance activities

Piet Ferreira (56)

Director: Corporate affairs and mergers and acquisitions

Johann du Plessis (61)

Director: Legal services

Mariza Nel (38)

Director: Corporate services, HR and IT

Hein Odendaal (54)

Group audit executive

## Annexure A (continued)

### Analysis of shareholding for the year ended 30 June 2011

	Public		Shareholder type Directors and key management		Other	
	Number	%	Number	%	Number	%
<b>Shareholders in South Africa</b>						
– Number of shareholders	11 328	99.75	25	0.22	3	0.03
– Number of shares	957 355 482	92.38	69 864 476	6.74	9 117 441	0.88
<b>Shareholders other than in South Africa</b>						
– Number of shareholders	705	99.16	5	0.70	1	0.14
– Number of shares	446 668 992	72.08	170 255 691	27.47	2 815 903	0.45
<b>Total</b>						
– Number of shareholders	12 033	99.72	30	0.25	4	0.03
– Number of shares	1 404 024 474	84.78	240 120 167	14.50	11 933 344	0.72
			<b>30 June 2011</b>	%	30 June 2010	%

According to the share register of the company the following shareholders are registered as holding in excess of 5% of the issued share capital of the company:

SCMB Custody account	<b>806 499 875</b>	48.70	632 122 717	42.74
Nedcor Bank Nominees Limited	<b>420 061 862</b>	25.36	408 417 268	27.61
First National Nominees (Proprietary) Limited	<b>201 410 832</b>	12.16	192 149 389	12.99
	<b>1 427 972 569</b>	86.22	1 232 689 374	83.34

Save for the above, the following shareholders are registered as holding in excess of 5% of the issued share capital of the company, as compiled from the nominee disclosures:

Investec Asset Management	<b>259 785 204</b>	15.69	278 217 684	18.86
Public Investment Commissioners	<b>197 731 983</b>	11.94	195 899 850	13.28
BS Beteiligungs und Verwaltungs GmbH	<b>167 695 410</b>	10.13	165 367 888	11.18
Eurotin SA	<b>131 885 305</b>	7.96	–	–

The following table sets out the high and low closing prices of Steinhoff shares and the average daily trading volume of our shares on a yearly basis for the last ten financial years, as reported by I-Net Bridge (Proprietary) Limited, a South African financial information service:

Year ended 30 June	High (Rand per share)	Low	Trading volume (Number of shares)
<b>2011</b>	<b>25.55</b>	<b>17.52</b>	<b>8 652 468</b>
2010	21.70	13.15	5 359 461
2009	18.90	8.96	5 801 708
2008	24.15	15.25	5 389 947
2007	26.90	20.36	4 670 403
2006	24.40	15.30	4 193 273
2005	15.40	7.60	3 186 578
2004	9.05	6.60	2 896 807
2003	8.20	4.55	1 371 338
2002	9.13	6.20	1 471 125

## Directors interest in share capital for the year ended 30 June

	Direct interest Beneficial	Indirect interest Beneficial	Total
<b>Interest in share capital</b>			
<b>Executive directors</b>			
<b>2011</b>			
HJK Ferreira	-	4 444 921	4 444 921
SJ Grobler	-	5 315 572	5 315 572
MJ Jooste	-	34 818 207	34 818 207
FJ Nel	5 528	3 793 661	3 799 189
DM van der Merwe	-	7 524 592	7 524 592
	<b>5 528</b>	<b>55 896 953</b>	<b>55 902 481</b>
<b>2010</b>			
HJK Ferreira	52 000	4 288 608	4 340 608
SJ Grobler	-	5 185 665	5 185 665
MJ Jooste	-	33 543 551	33 543 551
FJ Nel	7 326	3 719 470	3 726 796
IM Topping	1 040 000	-	1 040 000
DM van der Merwe	-	7 335 207	7 335 207
	<b>1 099 326</b>	<b>54 072 501</b>	<b>55 171 827</b>
<b>Non-executive directors</b>			
<b>2011</b>			
SF Booysen	-	200 000	200 000
DC Brink	-	117 624	117 624
CE Daun	-	357 477	357 477
D Konar	328 188	-	328 188
JF Mouton	-	6 000 000	6 000 000
FA Sonn	-	63 181	63 181
BE Steinhoff	363 200	167 332 210	167 695 410
PDJ van den Bosch	624 424	-	624 424
	<b>1 315 812</b>	<b>174 070 492</b>	<b>175 386 304</b>
<b>2010</b>			
DC Brink	-	113 318	113 318
CE Daun	-	357 477	357 477
D Konar	316 174	-	316 174
JF Mouton	-	5 000 000	5 000 000
FA Sonn	-	41 600	41 600
BE Steinhoff	349 904	165 017 984	165 367 888
	<b>666 078</b>	<b>170 530 379</b>	<b>171 196 457</b>
<b>Alternate directors</b>			
<b>2011</b>			
JNS du Plessis	-	107 952	107 952
KJ Grové	-	199 714	199 714
A Krüger-Steinhoff <sup>1</sup>	645 661	59 374	705 035
AB la Grange	869 800	-	869 800
M Nel	242 322	-	242 322
	<b>1 757 783</b>	<b>367 040</b>	<b>2 124 823</b>
<b>2010</b>			
JNS du Plessis	-	104 000	104 000
KJ Grové	-	2 707 230	2 707 230
A Krüger-Steinhoff <sup>1</sup>	622 024	57 200	679 224
AB la Grange	850 992	-	850 992
	<b>1 473 016</b>	<b>2 868 430</b>	<b>4 341 446</b>

<sup>1</sup> Non-executive director.

## Annexure A (continued)

### Share capital and premium of the company for the year ended 30 June

	2011 Number of shares	2010 Number of shares	2011 Rm	2010 Rm
<b>ORDINARY SHARE CAPITAL AND PREMIUM</b>				
<b>Authorised</b>				
Ordinary shares of 0.5 cents each	3 000 000 000	3 000 000 000	15	15
<b>Issued</b>				
Shares in issue at beginning of the year	1 479 061 000	1 369 418 127	8	8
Shares issued during the year	177 016 985	109 642 873	*	*
Shares in issue at end of the year	1 656 077 985	1 479 061 000	8	8
<b>Share premium</b>				
Balance at beginning of the year			6 287	5 364
Profit on treasury share transactions net of capital gains taxation			153	52
Treasury share transactions relating to deconsolidation of B-BBEE entities			(522)	-
Share issue expenses			(1)	*
Share premium arising on issue of shares			3 939	1 891
Capital distribution			(1 180)	(1 020)
Balance at end of the year			8 676	6 287
<b>Treasury shares</b>				
Balance at beginning of the year	(71 171 565)	(89 072 056)	(1 372)	(1 653)
Delivery of shares for purchase of Hemisphere International Properties BV	-	15 000 000	-	242
Purchases of shares	(1 747 081)	(2 945 843)	(35)	(61)
Sale of shares	19 826 519	8 789 527	202	100
Treasury share transactions relating to deconsolidation of B-BBEE entities	-	-	522	-
Deconsolidation of B-BBEE entities	40 229 677	-	471	-
Capital distribution	(2 016 737)	(2 943 193)	2	-
Balance at end of the year	(14 879 187)	(71 171 565)	(210)	(1 372)
<b>Total issued ordinary share capital and premium</b>	<b>1 641 198 798</b>	<b>1 407 889 435</b>	<b>8 474</b>	<b>4 923</b>

\* Amount is less than R500 000.

	2011 Number of shares	2010 Number of shares	2011 Rm	2010 Rm
<b>PREFERENCE SHARE CAPITAL AND PREMIUM</b>				
<b>Authorised</b>				
<b>Steinhoff</b>				
Variable rate, non-cumulative, non-redeemable, non-participating preference shares of 0.1 cents each	1 000 000 000	1 000 000 000	1	1
<b>Steinhoff Investment</b>				
Variable rate, cumulative, non-redeemable, non-participating preference shares of 0.1 cents each	495 000 000	495 000 000	*	*
<b>Steinhoff Africa</b>				
Variable rate, cumulative, redeemable preference shares of 0.1 cents each	2 000	-	*	-
<b>Issued</b>				
<b>Steinhoff Investment</b>				
In issue at beginning and end of the year	15 000 000	15 000 000	*	*
<b>Steinhoff Africa</b>				
Shares issued during the year	2 000	-	*	-
In issue at the end of the year	2 000	-	*	-
<b>Share premium</b>				
Balance at beginning of the year			1 549	1 549
Share premium arising on issue of shares			3 000	-
Share issue expenses			(36)	-
Loss on treasury share transactions net of capital gains taxation			(12)	-
Balance at end of the year			4 501	1 549
<b>Treasury shares</b>				
Balance at beginning of the year	(4 615 755)	(4 615 755)	(507)	(507)
Sale of shares	566 290	-	62	-
	(4 049 465)	(4 615 755)	(445)	(507)
<b>Total issued preference share capital and premium</b>	<b>10 952 535</b>	<b>10 384 245</b>	<b>4 056</b>	<b>1 042</b>

\* Amount less than R500 000.

#### Terms of issued Steinhoff Investment preference shares

The preference shares earn dividends on the issue price at the rate of 75% of the SA prime lending rate quoted by Absa Bank Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of Steinhoff Investment.

#### Terms of issued Steinhoff Africa preference shares

The preference shares earn dividends on the issue price at the rate of 80% of the SA prime lending rate quoted by Standard Bank Group Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of Steinhoff Africa.

The directors are authorised, by resolution of the shareholders and until the forthcoming annual general meeting, to issue the unissued preference shares, subject to the listings requirements of the JSE relating to a general authority of directors to issue shares for cash.

---

## Annexure B: Ordinary resolution number 5

---

### REMUNERATION REPORT

#### Introduction

At Steinhoff, our policy is to reward all employees fairly for their individual and joint contributions in the execution of the Steinhoff business strategy and delivery of the group's operating and financial performance. Steinhoff's remuneration philosophy is to remunerate all employees in a competitive manner in order to attract, motivate and retain individuals of the necessary calibre.

Steinhoff is an international business with revenue earned in many countries as disclosed in the geographical segmental analysis of the annual financial statements. Steinhoff expects its executives to be internationally mobile and have knowledge and experience across borders. As a result, Steinhoff competes for management skills and talent in a global marketplace and its approach to remuneration takes account of the need to be competitive in the different parts of the world in which Steinhoff operates.

To facilitate this, the board has established the Human Resources and Remuneration committee (Remuneration committee) which operates within defined terms of reference and authority granted to them by the board.

The Steinhoff Remuneration committee comprises only independent non-executive directors. Executive directors and certain members of management attend meetings by invitation. This committee met three times during the financial year. The Remuneration committee has the responsibility to:

- Determine and approve the group's general remuneration policy, which must be presented at each annual general meeting for a non-binding advisory vote by shareholders
- Review and approve annually the remuneration packages of the most senior executives, including incentive schemes and increases, ensuring they are appropriate and in line with the remuneration policy
- Annually appraise the performance of the chief executive
- Fulfil delegated responsibilities on Steinhoff's share-based incentive plans, e.g. appointing trustees and compliance officers
- Approve the appointments and promotions of key executives
- Review incidents (if any) of unethical behaviour by senior managers and the chief executive
- Review annually the company's Code of Ethics
- Review annually the Remuneration committee's charter and recommend amendments thereto as required
- Approve amendments to the Steinhoff share-based incentive plans, after consultation with shareholders and the JSE Limited
- Undertake an annual assessment of the effectiveness of the committee, reporting these findings to the board and the committee
- Review annually the charters of the group's significant subsidiaries' Remuneration committees, and their annual assessment of compliance with these charters to establish if the Steinhoff Remuneration committee can rely on the work of the subsidiary companies' Remuneration committees
- Prepare an annual remuneration report for inclusion in the company's integrated annual report

Due to the diversity of the group and the decentralised management structures in the operating divisions, the Remuneration committee has established divisional sub-committees with standard terms of reference which is in line with the overseeing committee's terms of reference. These committees are responsible for all employee remuneration matters at divisional level.

The Remuneration committee and divisional sub-committees are supported by established human resource departments at group and divisional level responsible for implementation and management of human resource and remuneration strategies, policies and practices.



## Key considerations

- A review of the pay structures for managerial employees.
- A review of the effectiveness of the share incentive scheme as a long term incentive plan.
- Changes to the share incentive scheme rules to comply with the JSE Limited's listing requirements.
- Annual cash bonus and incentive scheme awards and the approval of performance targets.
- The range of base salary increases.
- Investigations into an appropriate country/division specific long-term incentive scheme for key management who may be excluded from the share incentive scheme.

## Alignment to strategy

Steinhoff's remuneration structures remain appropriate and aligned with the group's long-term strategic priorities, namely:

**Steinhoff Europe:** to create a balanced and solid European footprint of household goods businesses; to develop strong and relevant local household goods retail brands that outperform competitive local businesses; sustainably raise the operating margins; leverage off our global scale and knowledge; exert sufficient influence over the entire supply chain; having due regard for the long term sustainability of the business, its environmental and social impact and governance matters.

**Steinhoff Africa:** to develop and grow our diversified industrial business in southern Africa; to capitalise on the many opportunities inherent in our associate investment holdings; sustainably raise the operating margins; timber and raw materials business to expand revenue in Africa and expand product range with more value added products; Unitrans to grow sustainable long-term revenue; having due regard to the sustainable longevity of the business, core environmental and social impact and governance matters.

A significant element of our executives' remuneration is performance related. A substantial portion of short term performance incentives of our executive directors and senior management are directly linked to challenging annual group performance targets. The balance of these incentives is specific to measurable individual performance objectives which are aligned to the group's strategic priorities. The targets for long-term incentives are set by reference to industry and market benchmark performance.

Such benchmarks are determined annually by measuring operational performance against that of peer group companies (in comparable industries and markets) in local currencies.

Remuneration for junior and middle management is governed and controlled by the HR department. A robust remuneration review process is in place which is aligned to business strategy. Employee development is encouraged through processes such as performance appraisals, counselling and career development programmes.

Remuneration and other benefits for bargaining council employees are set through a process of collective bargaining with the major labour unions active in the various countries in which we operate.

## Remuneration policy

The remuneration policy aims to follow the recommendations of King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy
- Total rewards are set at levels that are competitive and relative within the specific market and industry
- Incentive based awards are earned through achieving demanding performance measures and targets with due regard for the sustainable well-being of all stakeholders over the short, medium and long term
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle
- The design of long-term incentives is prudent and does not expose stakeholders to a position where the sustainability of the company is placed at risk

## Annexure B (continued)

### Elements of remuneration

The four elements of managerial remuneration consist of a base salary, benefits, annual bonus and long-term incentives. The committee seeks to ensure an appropriate balance between the fixed and performance-related elements of managerial remuneration and between those aspects of the package linked to short-term financial performance and those aspects linked to longer-term sustainable stakeholder value creation. A further consideration is the need to attract and retain critical skills in the group. The Remuneration committee considers each element of remuneration relative to the market and takes into account the performance of the company and the individual executive in determining its quantum.

	2011 Rm	2010 Rm
<b>For the year ended 30 June</b>		
<b>Personnel expenses</b>		
Retirement plans	412	364
Salaries and wages	7 717	6 409
Share-based payments – equity-settled	47	94
	<b>8 176</b>	<b>6 867</b>

For further detail refer notes 3.5 and 24.7 in the annual financial statements, available at [www.steinhoffinternational.com](http://www.steinhoffinternational.com).

### Base salary

The fixed element of remuneration is referred to as a base salary. Its purpose is to provide a competitive level of remuneration for each level of manager. The base salary is subject to annual review. It is set to be competitive at the median level with reference to market practice in companies comparable in size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration when determining annual base salaries.

In determining the salaries of the executive management, the committee takes into consideration inflation, agreed union and bargaining council increases, and the increased scale of businesses given corporate activity undertaken during the year.

### Benefits

Benefits provide security for managerial employees and their families and include membership of a retirement fund and medical aid scheme, to which contributions are made by employees and the company.

### Annual bonus

An annual short-term incentive plan provides managers with incentives to achieve the company's short- and medium-term goals. The annual cash bonus is based upon the achievement of group and (where applicable) divisional financial and transformation targets and on strategic and personal performance objectives agreed by the Remuneration committee.

Bonus potentials are set on an individual basis each year based on a percentage of annual base salary. The bonus plan is not contractual. The Remuneration committee retains the discretion to make adjustments to bonuses earned at the end of the financial year, taking into account both company performance and the overall and specific contribution of individuals to meeting the group's objectives.

Bonuses are determined and recorded in the financial year following that to which the performance relates. For members of the company's executive committee the performance measures for the annual bonus plan for FY11 included:

- Achievement of operational and financial growth objectives
- Implementation of key strategic initiatives related to the strategic development and competitive positioning of both Steinhoff Europe and Steinhoff Africa. In particular:
  - Expanding our European retail footprint
  - Investigating the future potential of the group's integrated supply chain in particular as it pertains to our combined logistics and sourcing platforms
  - Cash flow performance
  - Securing an appropriate and flexible capital and debt structure in order to minimise the risk of stressed debt or equity issuance in this volatile economic environment

- Implementation of risk management policy and framework
- Successful conclusion and implementation of strategic mergers and acquisitions (Conforama and JD Group)

The committee reviews measures annually, to ensure that these performance measures and the targets set are appropriate given the economic context and the performance expectations for the company.

### **Deferred bonus plan**

The remuneration committee retains the discretion to defer all or part of the annual bonus payment. The terms of such deferral is agreed on an annual basis, and depends on the performance criteria applicable to such bonuses and the longer-term measurement that could be implied by such performance criteria.

### **Long-term share-based incentives (LTIs)**

Steinhoff is an international business with revenue earned in many countries as disclosed in the geographical segmental analysis of the annual financial statements.

As a result, Steinhoff competes for management skills and talent in a global marketplace and its approach to remuneration takes account of the need to be competitive in the different parts of the world in which Steinhoff operates.

LTIs are awarded with the primary aim of retaining key staff members and aligning performance with the interests of investors.

The allocation and target criteria is at the discretion of the remuneration committee which comprises only independent non-executive directors.

#### **Allocation**

The allocation of LTIs is based on the following key eligibility criteria:

- Involving individuals who are key to driving the business strategy
- Retention of key talent/scarce skills
- Talent management strategy and succession plans

#### **Target criteria**

The targets for long-term incentives are set by reference to industry and market benchmark performance.

Such benchmarks are determined annually by measuring operational performance against that of peer group companies (in comparable industries and markets) in local currencies.

Benchmark performance criteria are aligned to the group's long-term strategic priorities, namely:

**Steinhoff Europe:** to create a balanced and solid European footprint of household goods businesses; to develop strong and relevant local household goods retail brands that outperform competitive local businesses; sustainably raise the operating margins; leverage off our global scale and knowledge; exert sufficient influence over the entire supply chain; having due regard for the long term sustainability of the business, its environmental and social impact and governance matters.

**Steinhoff Africa:** to develop and grow our diversified industrial business in southern Africa; to capitalise on the many opportunities inherent in our associate investment holdings; sustainably raise the operating margins; timber and raw materials business to expand revenue in Africa and expand product range with more value added products; Unitrans to grow sustainable long-term revenue; having due regard to the sustainable longevity of the business, core environmental and social impact and governance matters.

Criteria and the quantum of allocations are benchmarked annually against market practices.

Furthermore, scheme rules and the application thereof are evaluated annually to ensure compliance with legislative and regulatory requirements. The targets for long-term incentives are set with reference to industry and market benchmark performance.

For more details on the group's share-based payment scheme refer to note 24.7 of the annual financial statements and the corporate governance report published on the company's website.

### **Employee share ownership plan**

In accordance with its strategic transformation objectives, Steinhoff recognised the importance of affording all of its African employees an opportunity to participate in the success of its business.

## Annexure B (continued)

Accordingly, during 2009 Steinhoff implemented its employee share participation scheme that effectively empowers 19 000 South African Steinhoff employees, the majority of whom are black. Details of this transaction are available in the corporate responsibility report.

### Management share ownership plan

The beneficiaries of the management trust includes current and future South African black (as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended) management of the group. This trust and the share ownership initiatives inherent herein will not only assist the group in retaining black managerial staff, but will also attract new black talent and contribute to the development of sustainable black leadership.

### Service contracts

Executives' contracts generally are subject to terms and conditions of employment in the local jurisdiction. Top executive and non-executive directors' contracts do not contain 'golden parachute' clauses.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act No 71 of 2008.

### Executive directors' contracts

There are no executive directors with a notice period of more than one year. There are no executive director's service contracts that include predetermined compensation as a result of termination exceeding one year's salary and benefits.

The executive directors and senior management have indefinite employee contracts.

### Non-executive directors remuneration

The Board, in reviewing non-executive directors fees, makes recommendations to shareholders in light of, firstly, fees payable to non-executive directors of comparable companies and, secondly, the importance attached to the retention and attraction of high-calibre individuals as non-executive directors. Remuneration is reviewed annually, with reference to competitors and peer companies. Independent advice is acquired to review non-executive directors' remuneration from specialist human resources consultants. This remuneration is not linked to the company's share price or performance. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the Board and in chairing or participation in its committees. In order to avoid a conflict of interest, the Remuneration Committee, which consists entirely of independent non-executive directors, takes no part in the determination of non-executive directors fees or in the recommendation to the Board and shareholders. Non-executive directors do not qualify for shares in terms of the group's share incentive schemes. The board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

The fees contained in the table below were approved by shareholders at the previous annual general meetings.

	2011 R'000	2010 R'000
<b>Board</b>		
Independent non-executive chairman (all inclusive fee)	1 300	1 200
Member	325	300
<b>Committee fees</b>		
<b>Audit</b>		
Chairman	260	240
Member	130	120
<b>Human Resources and Remuneration</b>		
Chairman	130	120
Member	65	60
<b>Group risk overview</b>	27.5	25
<b>Nominations</b>	13.5	12.5

Refer to note 40 of the annual financial statements for details on the fees earned by non-executive directors for the year ended 30 June 2011.

### Executive directors fees

Refer to note 40 of the annual financial statements for details on the fees earned by executive directors for the year ended 30 June 2011.

## Proxy form

To be completed by certificated shareholders and dematerialised shareholders who have selected 'own name' registration.

For use at the annual general meeting of the holders of ordinary shares in the company (Steinhoff shareholders) to be held in the auditorium of the company, 28 Sixth Street, Wynberg, Sandton, on Monday, 5 December 2011 at 10:00 (the annual general meeting).

I/we (please print full names in block letters) \_\_\_\_\_

Of (address) \_\_\_\_\_

being the registered holder/s of \_\_\_\_\_ shares in the company, hereby appoint:

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. \_\_\_\_\_ the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s in accordance with the following instructions (see notes):

Voting instructions in respect of all/ \_\_\_\_\_ number of shares held.

		Number of shares		
		In favour	Against	Abstain
1.	To receive and adopt the annual financial statements			
2.	To reappoint Deloitte & Touche as auditors			
3.	Special resolution number 1: To approve the fees payable to directors for the year ending 30 June 2012:			
3.1	Executive directors' fees			
3.2.1	Chairman			
3.2.2	Board			
3.2.3	Audit committee			
3.2.4	Human resources and remuneration committee			
3.2.5	Group risk overview committee			
3.2.6	Nominations committee			
3.2.7	Social and ethics committee			
4.	Board appointments: To individually re-elect to the board:			
4.1	DC Brink			
4.2	JF Mouton			
4.3	FA Sonn			
4.4	BE Steinhoff			
5.	To individually ratify the following elections to the board:			
5.1	PDJ van den Bosch			
5.2	TLJ Guibert			
5.3	MT Lategan			
6.	To individually elect or re-elect the following independent non-executive directors as members of the audit committee:			
6.1	SF Booysen (Chairman)			
6.2	DC Brink			
6.3	MT Lategan			
7.	Ordinary resolution number 1: Placement of shares under the control of the directors			
8.	Ordinary resolution number 2: Placement of shares under the control of the directors for share incentive scheme			
9.	Special resolution number 2: General authority to purchase own shares			
10.	Ordinary resolution number 3: General authority to distribute share capital and/or reserves			
11.	Ordinary resolution number 4: Authority to create and issue convertible debentures			
12.	Ordinary resolution number 5: Endorsement of remuneration policy			
13.	Special resolution number 3: Authority to provide financial assistance			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2011

Signature(s) \_\_\_\_\_

Assisted by (where applicable) (state capacity and full name) \_\_\_\_\_

Each Steinhoff shareholder is entitled to appoint one or more proxy/ies (who need not be (a) shareholder/s of the company) to attend, speak and vote in place of the shareholder at the general meeting.

See notes overleaf

## NOTES

1. A Steinhoff shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space(s) provided, with or without deleting 'the chairman of the general meeting', but any such deletion must be initialled by the Steinhoff shareholder concerned. The person in attendance whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Steinhoff shareholder's instructions to the proxy must be shown by indicating, in the appropriate boxes provided, the manner in which that Steinhoff shareholder wishes to vote by inserting an 'X' in the relevant box, unless a shareholder wishes to split his/her votes, in which case the relevant numbers of shares to be so voted must be indicated in the proxy to vote or abstain from voting at the general meeting as he/she deems fit in respect of all the Steinhoff shareholder's votes exercisable thereat. A Steinhoff shareholder or his/her proxy is not obliged to use all the votes exercisable by the Steinhoff shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Steinhoff shareholder or by his/her proxy. Should a shareholder fail to complete the number of shares held, he/she will be deemed to have exercised the vote in respect of all shares held as recorded in the register.
3. Any shareholder who holds shares through a nominee or in dematerialised form may use this proxy or the voting instruction form to advise his/her nominee/broker/Central Security Depository Participant (CSDP) of his/her voting instructions. He/she must, however, not submit this form to the company secretary, the company or the transfer secretaries. However, should such member wish to attend the meeting, he/she will need to request his/her CSDP, broker or nominee to provide him/her with the necessary Letter of Representation in terms of the agreement governing his/her relationship.
4. Forms of proxy and any power of attorney and/or authorising resolution where applicable by virtue of which such proxy is signed (or a notarially certified copy of such power of attorney) must be lodged at or posted to the company's transfer secretaries or delivered to the company secretary, to be received by not later than 10:00 on Thursday, 1 December 2011.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant Steinhoff shareholders from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Steinhoff shareholder wish to do so.
8. No facility currently exists for receiving forms of proxy electronically. A copy may be scanned and sent to the company secretary at [phillipr@steinhoff.co.za](mailto:phillipr@steinhoff.co.za).

### **Company secretary:**

28 Sixth Street  
Wynberg, Sandton  
2090  
(PO Box 1955, Bramley 2018)  
Telefax: +27 11 445 3094

### **Transfer secretaries:**

70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown 2107)  
Telefax: +27 11 688 5248

## Voting instruction form

To: \_\_\_\_\_  
(name of shareholder's CSDP/broker)

For use at the annual general meeting of the holders of ordinary shares in the company ("Steinhoff shareholders") to be held in the auditorium of the company, 28 Sixth Street, Wynberg, Sandton, on Monday, 5 December 2011 at 10:00 ("the annual general meeting").

Shareholders who have already dematerialised their shares may use this form to advise their Central Securities Depository Participant ("CSDP") or broker of their voting instructions on the proposed resolutions in the spaces provided below. However, should a shareholder wish to attend the meeting in person, written authority would be required from such CSDP or broker.

I/we (please print full names in block letters) \_\_\_\_\_

Of (address) \_\_\_\_\_

being (a) shareholder/s of the company, who has/have dematerialised my/our shares do hereby indicate below my/our voting instructions on the resolutions to be proposed at the annual general meeting:

Voting instructions in respect of all/\_\_\_\_\_ number of shares held.

		Number of shares		
		In favour	Against	Abstain
1.	To receive and adopt the annual financial statements			
2.	To reappoint Deloitte & Touche as auditors			
3.	Special resolution number 1: To approve the fees payable to directors for the year ending 30 June 2012:			
3.1	Executive directors' fees			
3.2.1	Chairman			
3.2.2	Board			
3.2.3	Audit committee			
3.2.4	Human resources and remuneration committee			
3.2.5	Group risk overview committee			
3.2.6	Nominations committee			
3.2.7	Social and ethics committee			
4.	Board appointments: To individually re-elect to the board:			
4.1	DC Brink			
4.2	JF Mouton			
4.3	FA Sonn			
4.4	BE Steinhoff			
5.	To individually ratify the following elections to the board:			
5.1	PDJ van den Bosch			
5.2	TLJ Guibert			
5.3	MT Lategan			
6.	To individually elect or re-elect the following independent non-executive directors as members of the audit committee:			
6.1	SF Booysen (Chairman)			
6.2	DC Brink			
6.3	MT Lategan			
7.	Ordinary resolution number 1: Placement of shares under the control of the directors			
8.	Ordinary resolution number 2: Placement of shares under the control of the directors for share incentive scheme			
9.	Special resolution number 2: General authority to purchase own shares			
10.	Ordinary resolution number 3: General authority to distribute share capital and/or reserves			
11.	Ordinary resolution number 4: Authority to create and issue convertible debentures			
12.	Ordinary resolution number 5: Endorsement of remuneration policy			
13.	Special resolution number 3: Authority to provide financial assistance			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2011

Signature(s) \_\_\_\_\_

Assisted by (where applicable) (state capacity and full name) \_\_\_\_\_

Each Steinhoff shareholder is entitled to appoint one or more proxy/ies (who need not be (a) shareholder/s of the company) to attend, speak and vote in place of the shareholder at the general meeting.

See notes overleaf

## NOTES

1. Any shareholder who holds shares through a nominee or in dematerialised form must use this voting instruction form to advise his/her nominee/broker/Central Securities Depository Participant (CSDP) of his/her voting instructions and should not use the proxy form. However, should such member wish to attend the meeting, he/she will need to request his/her CSDP, broker or nominee to provide him/her with the necessary Letter of Representation in terms of the agreement governing his/her relationship.
2. A shareholder's instructions to the CSDP/broker must be shown by indicating, in the appropriate boxes provided, the manner in which that shareholder wishes to vote by inserting an 'X' in the relevant box, unless a shareholder wishes to split his/her votes in which case the relevant numbers of shares to be so voted must be indicated in the form to vote or abstain from voting at the general meeting as he/she deems fit in respect of all the Steinhoff shareholder's votes exercisable thereat. A shareholder is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Steinhoff shareholder. Should a shareholder fail to complete the number of shares held, he/she will be deemed to have exercised the vote in respect of all shares held as recorded in the relevant register.
3. Voting instruction forms and power of attorney by virtue of which such instructions are signed (or a notarially certified copy of such power of attorney) must be sent to the CSDP or broker in terms of the agreements governing his/her relationship and preferably with a copy to be lodged at or posted to the company's transfer secretaries or delivered or faxed to the company secretary, the latter to be received by not later than 10:00 on Thursday, 1 December 2011.
4. Any alteration or correction made to this form must be initialled by the signatory/ies.
5. Documentary evidence establishing the authority of a person signing this form in a representative capacity must be attached to this form unless previously recorded by the CSDP/broker or waived.
6. No facility currently exists for receiving these forms of instruction electronically. A copy may be scanned and sent to the company secretary at philipr@steinhoff.co.za.

### **Company secretary:**

28 Sixth Street  
Wynberg, Sandton  
2090  
(PO Box 1955, Bramley 2018)  
Telefax: +27 11 445 3094

### **Transfer secretaries:**

70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown 2107)  
Telefax: +27 11 688 5248  
Attention: Annatjie Visser