

SHAREHOLDERS ARE AFFORDED THE OPPORTUNITY TO REACT TO THE DRAFT MINUTES DURING A PERIOD OF THREE MONTHS FROM THE ABOVE DATE, AFTER WHICH THE MINUTES WILL BE ADOPTED. COMMENTS MAY BE SENT TO: COMPSEC@STEINHOFFINTERNATIONAL.COM

Steinhoff International Holdings N.V.

Minutes of the Annual General Meeting of Shareholders

held via webcast accessible on the Company's website

(www.steinhoffinternational.com)

on Friday, 28 August 2020, at 13.00 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 Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch, South Africa, registered with the Dutch Trade Register under number 63570173 (the "**Company**"), held via webcast accessible on the Company's website (www.steinhoffinternational.com) on Friday, 28 August 2020, at 13.00 CET.

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1. Agenda item 1: Opening

1.1. The Chairperson, Ms. Moira Moses, welcomed all shareholders and their representatives, Mr. Onno Opzitter of Mazars Accountants N.V., the lead partner responsible for the external audit, and the members of the press to the meeting.

The Chairperson confirmed that both members of the Management Board of the Company (the “**Management Board**”): Mr. Louis du Preez and Mr. Theodore de Klerk, and all members of the Supervisory Board of the Company (the “**Supervisory Board**”): Mr. Peter Wakkie, Ms. Alex Watson, Ms. Khanyisile Kweyama, Dr. Hugo Nelson, Mr. David Pauker and Mr. Paul Copley, were present. She further welcomed Mr. Gijs ter Braak, independent civil-law notary of Simmons & Simmons LLP, Amsterdam office, who had received powers of attorney and voting instructions from certain shareholders. She then introduced Ms. Sarah Radema, the Company Secretary.

1.2. The meeting would be conducted in the English language, in accordance with article 38.7 of the Company’s articles of association (the “**Articles of Association**”). Due to the restrictions on travel and physical meetings in relation to the COVID-19 pandemic, the meeting was held virtually and it was not possible to physically attend the meeting. Shareholders who wished to attend this meeting virtually, were required to register in advance and could only cast their votes electronically during the virtual meeting or if they had granted a proxy. Those measures were taken in order to safeguard the health and safety of the participants of the meeting as much as possible. Shareholders were invited to submit any questions they might have relating to any of the agenda items prior to the meeting. There would be an opportunity to ask further questions during the meeting by submitting such questions electronically in the English language. The Q&A would be published on the Company’s website after the meeting.

1.3. The Chairperson elaborated that the Supervisory Board focused on the issues arising

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from the past by progressing the investigation into the accounting irregularities and reporting efforts, and strengthening governance and controls across the Group, while also providing support to the Management Board, and an appropriate degree of oversight of its activities, as it had sought to implement the restructuring plan. She identified five significant achievements over the past eighteen months as follows:

- 1.3.1. Firstly, the completion of the Forensic Report in March 2019 was a critical step in the investigation into the Company's past deficiencies and essential in order to complete the Financial Statements.
 - 1.3.2. Secondly, the publication of the 2017, 2018 and 2019 Annual Reports followed an extraordinary, and appropriate, level of scrutiny and diligence by both the finance and the audit teams. The half-year reports and quarterly trading updates had similarly been published.
 - 1.3.3. Thirdly, a Remediation Plan was developed and implemented, with a particular focus on improvements to governance, processes and procedures, and to embed higher standards across the Group. The Supervisory Board had reviewed the implementation of that Remediation Plan on a regular basis to assess progress, and to ensure it continued to evolve and remain appropriate for the risks which the Company faced as a business. The Chairperson was pleased to report that this project had been implemented successfully and would now be part of the Company's normal operating procedures.
 - 1.3.4. Fourthly, resolving the legal actions brought against the Group remained a clear priority for both the Supervisory Board and the Management Board. The Supervisory Board had remained close to the ongoing processes and fully supported the Litigation Settlement Proposal.
 - 1.3.5. Fifthly and finally, just over a year ago the Management Board implemented the Group's financial restructuring plan and had continued to support and, where necessary, restructure, many of the Group's retail business investments.
- 1.4. The Chairperson noted that the Supervisory Board believed that in Louis du Preez, CEO, and Theodore de Klerk, CFO, and the rest of the executives, the Company had a strong and highly capable management team. The Supervisory Board benefited from the introduction of new members, Mr. Paul Copley and Mr. David Pauker, during 2019. The broad range of diverse experience and skills currently at the disposal of the

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Supervisory Board were all highly relevant to the challenges faced by the Group.

- 1.5. The Chairperson concluded by stating that the Supervisory Board was encouraged by progress made, but was committed to delivering further improvements to the governance and control framework in the year ahead. She thanked the Steinhoff employees across all operating businesses for having shown an ability to overcome the most challenging hurdles and when confronted with the tribulations of the COVID-19 pandemic, demonstrated a dogged determination to continue serving their customers despite all the restrictions. She further thanked the customers, financial creditors, advisors and shareholders for their continued support.
- 1.6. After addressing some procedural matters, the Chairperson opened the meeting at thirteen eleven hours (13:11) CET.
- 1.7. Before moving to the agenda of the meeting, the Chairperson made the following announcements together with the Company Secretary:
 - 1.7.1. The notice to shareholders convening this meeting was made available on the Company's website on 17 July 2020 together with the agenda for the meeting, the explanatory notes thereto as well as the ancillary meeting documents and a proxy & voting instruction form. Announcements of the same were made on the Frankfurt Stock Exchange and the JSE Limited news services on the same day.
 - 1.7.2. As notice of this meeting had been given in accordance with the Articles of Association and the Emergency Regulation to facilitate shareholders' meetings in the current social-distancing environment in connection with the outbreak of COVID-19, which entered into force in the Netherlands in April 2020, valid resolutions could be adopted on the subjects set out in the agenda included in the notice. Each resolution would be displayed in the presentation. No shareholders submitted any proposals for discussion at this meeting. The meeting agenda was thereby confirmed.
 - 1.7.3. There were 550,377,668 ordinary shares represented at the meeting, either in person or by proxy, which was equivalent to thirteen point thirteen per cent (13.13%) of the issued and outstanding share capital of the Company on the record date for this meeting. Consequently, a total number of 550,377,668 votes could be cast. Eighteen shareholders were present or represented at the

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virtual meeting.

1.7.4. According to the 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 were in issue. To the date of the meeting, no preference shares had been issued. All resolutions to be voted on at the meeting should be adopted with a simple majority of the votes cast, without a quorum being required, except the resolution under agenda item 7 (Capital Reduction), which required a majority of at least two-thirds of the votes cast, since less than fifty per cent (50%) of the Shares was (virtually) present or represented at the meeting, in accordance with Section 99, subsection 6, Book 2 of the Dutch Civil Code, and article 11.4 of the Articles of Association. Voting would be conducted on all proposed resolutions and all the votes would be considered after all resolutions had been put to the meeting. In relation to the voting items, shareholders could vote 'in favour' or 'against'. Shareholders could also abstain from voting. Blank and invalid votes would be considered as not having been cast but should be counted towards the number of shares represented. Only 'for' and 'against' votes were counted and together added up to one hundred per cent (100%), because by law, abstentions are not considered to be votes. The abstentions would be shown on the screen. Computershare Netherlands had provided the shareholders or their representatives which had registered to attend the meeting virtually with log-in credentials for the Lumi voting app. Those shareholders that had successfully logged in were entitled to vote, ask questions and they could watch the live-stream of the virtual meeting.

1.7.5. A significant number of shares should be voted on, on the basis of powers of attorney and voting instructions that had been received. Those powers of attorney had either been granted to a person of choice present at the meeting or to Mr. Ter Braak as independent civil-law notary. The proxies with voting instructions delivered to Mr. Ter Braak represented thirteen point zero one per cent (13.01%) of the share capital of the Company present at the meeting. All proxy votes delivered before the meeting had already been loaded onto the system.

1.7.6. The Chairperson then declared that the voting on all resolutions was open and that the voting would be closed after the last voting item on the agenda had been discussed. Until the moment of closure, the attendees would have the opportunity to enter and, if desired, change their votes in respect of all

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resolutions. The results of the voting would be shown per agenda item that would be voted on as soon as the voting procedure was finished, which should be at the end of the meeting.

1.7.7. The minutes of the previous annual general meeting, held on 30 August 2019, were adopted in accordance with the Articles of Association. A draft of those minutes was made available on the Company's website on 29 November 2019, after which shareholders had the opportunity to react to the draft during the following three months. Some minor changes were made.

1.7.8. The minutes of the previous extra-ordinary general meeting held on 12 November 2019 were also adopted in accordance with the Articles of Association. A draft of those minutes was made available on 11 February 2020, after which shareholders had the opportunity to react to the draft during the following three months. No reactions were received.

1.8. The Chairperson then proceeded with the business of the meeting.

2. Agenda item 2: Presentation to shareholders (discussion Item)

2.1. The Chairperson stated that the Company's CEO, Mr. Louis du Preez, would lead the Management Board's presentation to update the shareholders in respect of progress during the period since 30 August 2019. The presentation would also address the Financial Statements with contributions from the Company's CFO, Mr. Theodore de Klerk, who was in charge of the preparation of the Financial Statements, and from Onno Opzitter of Mazars, who would deliver a presentation in respect of Mazars' audit, the audit findings and the auditor's opinion.

2.2. Mr. Du Preez commenced his presentation by stating that some questions from shareholders were received beforehand, which could be grouped in the following five themes: (i) issues of technical accounting, (ii) shareholder value, (iii) Management Board remuneration, (iv) debt and corporate structure, and (v) litigation. Those issues would be dealt with through the presentations. Some specific questions received would be answered thematically at the end of the management presentation.

2.3. Mr. Du Preez continued by referring to the **progress made**, as already indicated by the Chairperson. It was a great achievement for the Group that both CVAs (Company Voluntary Arrangements) were implemented on 13 August 2019. Since the previous

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annual general meeting the Company had disposed of a number of assets, which would be further highlighted in the CFO's presentation. The 2019 Annual Report and the 2020 Half-Year Report had been released. He commented on how one had to deal with the COVID-19 pandemic and the responses of the various businesses to that. Initially, when that pandemic started unfolding, there was a massive concern around supply and supply chain. As those fears started subsiding, the concern started moving towards demand and since the reopening in many jurisdictions within the Group's businesses operate, Mr. Du Preez was glad to report that demand had been strong. The Group's operating businesses had taken decisive measures to deal with the effects of COVID-19 and just as importantly, to protect the safety of the employees. The Company's underlying businesses were currently in a strong position to benefit from opportunities that might arise and just as importantly to gain market share. He extended a special thanks to the Group's management teams in the way that they had dealt with this pandemic. But probably more importantly, to those employees who went out to the shops every day and opened the shops and served the customers to ensure that their needs could be fulfilled.

- 2.4. Mr. Du Preez concluded by noting that he would also address later in the presentation the proposed settlement of the litigation claims, referring to the public announcement of what the Company deemed a plausible and feasible litigation settlement on the 27th of July of this year.
- 2.5. Mr. De Klerk started his presentation by stating that there had been **significant Group activity** during the reporting period. Discontinued operations were extended as six businesses were added and four additional ones were carried over from last year. The subsequent event period included many post year-end events due to the delay in Financial Statements and those had to be considered pre-release. Significant asset disposals continued to occur during that period and the accounting thereof was clearly set out in the Financial Statements. Accounting for the refinancing implications was quite complex and additional administration and compliance requirements were added.
- 2.6. Implementation of the CVA also resulted in a **new Group structure**. The assets and liabilities of many of the existing companies in the Group were moved to Newcos within that new structure, which meant that the chart of accounts had to be changed and that also had control and audit implications. New governance structures were set in place in those new companies and new employees were hired. Processes were changed even though the Group services function was reduced in terms of headcount by more than two hundred (200) groupwide. Employees from certain offices were relocated and there was

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a new finance team and European CFO set up in London. The Group had to include new reporting requirements as prescribed by the finance documents.

- 2.7. This year's **audit process** was a very involved process and included Mazars being appointed as auditors. Under normal circumstances, a change of auditor for a Group like Steinhoff would be a quite disruptive exercise and taking into account where the Group was and the details in terms of the restructuring, there was a lot of work involved for both the finance team and the Mazars team. That process was actively managed with weekly workstream meetings. All technical aspects were addressed through expert analysis. The Audit and Risk Committee's oversight function remained enhanced. During the reporting period, the COVID-19 pandemic added to the challenges, especially when travelling was stopped, and one could not physically visit the different offices across the globe.
- 2.8. Mr. De Klerk continued with the Group's **reporting events**. The reporting events included the CVA becoming effective, which meant that all debt had to be reclassified. New finance companies were created, and the debt was restructured into three pockets. Security arrangements for those debt instruments were put in place and all the Newcos' ledgers had to be populated with the assets and liabilities that were moved within the Group.
- 2.9. During this period, the refinancing of **Mattress Firm** was completed which meant for the first two months of the reporting period that Mattress Firm was accounted for as a discontinued operation. Post Mattress Firm exiting from chapter 11, it was deemed that the Group had lost control of Mattress Firm and the associated value had to be recognised. Going forward Mattress Firm will be equity accounted. In response to questions received from shareholders Mr. De Klerk stated that Mattress Firm would not be reconsolidated. Currently the Group owns fifty point one per cent (50.1%) of Mattress Firm, but shares had been allocated for a management incentive scheme and the Group's dilution would increase to more or less mid-forties once those shareholdings would become effective. **Conforama** was also refinanced during this period through a court-sanctioned conciliation process and the new money lenders subscribed for bonds in that entity, but they also received certain economic rights through warrants that were issued to them, which resulted in debt and equity instruments having been accounted for.
- 2.10. Numerous **discontinued operations** were disclosed in the Financial Statements.
- 2.11. Mr. De Klerk explained that there had been many **IFRS** changes and drew the attention

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to IFRS-9 and IFRS-16 in particular. IFRS-9 was adopted this year as a change to accounting policy. The impact thereof was not material, but it required additional disclosure and work. Selected new financial standards were disclosed under note 37, but none of them affected the Group in a material manner. During the reporting period, the estimated impact of IFRS-16, which would be effective from the 2020 financial year, had to be calculated. The right-of-use asset and the lease liability had to be estimated. That was a significant process that the Group undertook worldwide as it had to be consistently applied. In the Group's half-year results the right-of-use asset of approximately two and a half billion euro (€ 2,500,000,000) and the lease liability of approximately three billion euro (€ 3,000,000,000) had been accounted for.

- 2.12. Mr. De Klerk further noted that during the audit process and the preparation of the Financial Statements various **judgements** had to be made by the Management Board, as detailed in the basis of preparation of the Financial Statements. In his presentation he would discuss three important judgements.
- 2.13. The first judgement Mr. De Klerk mentioned was the **going concern** assessment, which was made during June prior to release of the 2019 Financial Statements and was reaffirmed prior to release of the Half-Year 2020 Report towards the end of July and included the provision for the proposed legal settlement. Assumptions included in the going concern assessment were in terms of litigation that no material judgement or fines would be awarded against the Company that would result in a material cash outflow. The Management Board also assumed that no default would occur in terms of the Group's debt instruments that would result in an enforcement action by the lenders. There were various tax uncertainties in conclusion of this audit, and the Management Board had to assume that the cashflow forecast included in the Group's results adequately provided for these tax liabilities. In addition, the COVID-19 impact had to be assessed with a view to going concern. Even though COVID-19 is a non-adjusting post balance sheet event, it does affect management's assessment of going concern. Since the outbreak of the COVID-19 pandemic the Group's various finance teams across the world had assessed liquidity and cash flow forecast almost on a weekly basis at each major entity.
- 2.14. The second judgement pertained to certain **consolidation decisions** which referred to IFRS-10. Under the debt documents, after the CVA became effective, the Group's lenders had certain rights and new governance structures were implemented at intermediary holding company levels. After a complex assessment process by management, the auditors and IFRS experts of the terms of the CVA, various rights of

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stakeholders and the strategic intent of the Company, the Management Board concluded that the Group did control Newco 3 as well as Conforama. That resulted in a full consolidation of the debt, the assets, the operating result and the cashflow of those two entities.

- 2.15. The third judgement regarded the **presentation of liabilities**. Post-implementation of the CVA the Group's liabilities were reclassified into current and non-current liabilities. Mr. De Klerk referred to certain questions received from shareholders regarding the tax position of the Group as well as the utilisation of tax losses and if deferred tax assets would be raised on all of these tax losses. He answered that Steinhoff was not taxed on a consolidated Group basis, but by territory. In addition, normalised tax was paid at operating company level, but some of those tax losses occurred at holding company level where some of the restatements occurred. Those companies did not generate income going forward and therefore the assessment was made that those losses would not be recouped and hence the deferred tax asset could not be raised. In conclusion, Mr. De Klerk said that he did not expect material tax credits to be repaid to the Group.
- 2.16. During the 2019 financial year the Company changed its **segmental reporting** from seven continuing segments to six, wherein the Hemisphere property segment was classified as discontinued. Various **disposals** were concluded during this year, including the sale of the POCO retail chain and Steinpol manufacturing facilities, mostly in Poland. The Group sold its residual stake in listed entity KAP. It sold Unitrans automotive business in Southern Africa. Many properties were sold in the South African property portfolio. The Hemisphere property portfolio in Europe sold properties as well. The Polish retail chain ABRA was also sold during the reporting period. Included in the **other corporate activity** was the Mattress Firm restructure. Pepkor Africa acquired an insurance business and also started their own funding of their book. Conforama was restructured. And the Pepco Group refinanced existing facilities. Steinhoff also entered into negotiations with the Champion Group, as a result whereof (i) debt owed to the Group was settled through the acquisition by the Group of Brait shares, (ii) thirty million (30,000,000) Steinhoff shares were held in Town Investments, and (iii) the Group regained control of its brand and trademarks.
- 2.17. **Disposals** that were initiated during the reporting period, but only finalised thereafter, included the Blue Group, Bensons and Harveys in the UK; the General Merchandise of division Greenlit Brands in Australia; and Sherwood Bedding. Post year-end, the sale of Conforama France and Conforama Switzerland was also concluded, although those two

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entities were not classified as discontinued for the 2019 financial results. Mr. De Klerk pointed out that the sale of Conforama France had not concluded yet, because it was still subject to certain regulatory approvals. A question was received from shareholders on the details of the sale of Conforama France and what the Group received for the sale. Mr. De Klerk answered that Conforama France was sold at a nominal value, but all the liabilities on the balance sheet of that entity were also included in the sale. And post-sale during July, the purchaser as well as the French government via a subsidised loan injected one hundred and fifty million euro (€ 150,000,000) into that business in order to pay for its operating liabilities. As part of the transaction, also seventy million euro (€ 70,000,000) worth of properties, which were owned by Conforama Holdings and used by the French business, was sold to the purchaser. Those proceeds would be used to reduce debt at Conforama holdings level.

- 2.18. The **segmental revenue** from continuing operations showed that the Group increased its revenue by five per cent (5%). A solid performance that continued into the 2020 half-year and also into the third quarter results that were released in the morning of 28 August 2020. Solid performances mainly came from the Company's two main operating subsidiaries, being Pepco Group and Pepkor Africa. Mr. De Klerk drew attention to the fact that the third quarter results included the full-blown impact of the COVID-19 pandemic. Mattress Firm's results for the 2019 reporting period were flat, however it should be noted that the turnover was generated with twenty-two per cent (22%) less stores, which Mr. De Klerk considered a commendable performance. Mattress Firm's business was restructured, and the turnaround was well on track.
- 2.19. In respect of the presentation slide on **segmental EBITDA** from continuing operations Mr. De Klerk explained that the half-year numbers had been restated to exclude the adoption of IFRS-16 in order to make them comparable to the 2019 and 2018 numbers. Pre corporate expenses for FY2019, the Group increased its segmental EBITDA by more than ten per cent (10%). Corporate costs remained stable at just more than fifty million euro (€ 50,000,000) and the movement shown year on year related to foreign currency adjustment of fifty-three million (€ 53,000,000). Upon elimination thereof, the corporate costs remained stable.
- 2.20. Mr. De Klerk proceeded with the Group's **consolidated debt position**. He reminded the attendees that previously the Group had unsecured debt. The debt was restructured into three debt facilities, being Steenbok Lux Finco 1, Steenbok Lux Finco 2 and the Hemisphere properties. Steenbok Lux Finco 1 being the previous convertible bonds section and Steenbok Lux Finco 2 the old SEAG debt. Before that restructuring the

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Group had various overdraft and short-term debt facilities, convertible bonds, non-convertible European bonds and German Loan notes, all at Group level, so excluding Opco's. There was a US note program, Steinhoff Service domestic note program, selected preference shares issued in Southern Africa as well as syndicated and term-loan facilities. Those numerous loan facilities all across the world were restructured into the three facilities mentioned. Shareholders had asked if Steinhoff would have the debt rated. Mr. De Klerk answered that the Group would not have those three facilities rated, because it was all private debt. Mr. De Klerk continued by pointing out that the Group's debt of nine and a half billion euro (€ 9,500,000,000) as at the end of H12020 excluded the Opco's gross debt of approximately one point eight billion euro (€ 1,800,000,000). Within those Opco's, there was eight hundred million euro (€ 800,000,000) worth of cash, which brought the net debt at Opco level down to about one billion euro (€ 1,000,000,000). Group cash in total was approximately one point eight billion euro (€ 1,800,000,000).

- 2.21. Mr. De Klerk acknowledged that there had been many inbound **professional fees**. Management all across the Group actively focused on reducing professional fees and a reduction from FY2019 towards H12020 was shown. Shareholders had asked why those fees were so high and what the money was spent on. Mr. De Klerk pointed out that the restructuring was very complex, involving multiple territories and material values. Many actions were decentralised as the Group created a strategy to make all operating entities independent of the Group funding. The Group's history had an impact on the advisory fees, because of dealings with different regulators, litigation and legal aspects. The professional fees were paid to legal advisors, financial advisors and other advisors.
- 2.22. **Legal fees** related to: (i) the Group restructuring, (ii) litigation (inbound as well as outbound), (iii) the settlement proposal, (iv) transaction agreements (disposals of companies and restructuring of businesses), (v) governance structures, and (vi) regulatory interactions and compliance. **Financial advisors** likewise had assisted with the Group restructure, advised on the various transactions as well as assisted with the numbers on the settlement proposal. The Group also paid **other advisors** for accounting support, recruitment, and forensic investigation. Mr. De Klerk confirmed that the Company would continue to disclose the professional fees to shareholders and to report on the progress in driving those costs down. He noted, however, that driving down the costs was also dependent on how quickly certain legal aspects and the legal settlement proposal could be concluded, so that advisor interaction could be reduced.
- 2.23. Mr. De Klerk explained that there were three types of modified **audit opinion** that a

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company could receive: (i) a qualified opinion, (ii) an adverse opinion, or - as in Steinhoff's case - (iii) a disclaimer of opinion. A **disclaimer of opinion** could occur if there were exceptional circumstances relating to audit evidence or a number of uncertainties. Notwithstanding having obtained sufficient audit evidence, if an auditor was not able to form an opinion due to the interaction of uncertainties and the possible cumulative effect thereof on the financial statements, they would issue a disclaimer. Mr. De Klerk pointed out that all the disclaimers that were highlighted in the audit opinion, apart from one, related to the period pre-2017, and that only one of the disclaimers related directly to an operational company. In the Company's Annual Report 2019 the disclaimers were set out as relating to (i) litigation, which had been ongoing since the crisis of 2017, (ii) taxation, which was all related to the restatements and periods prior to 2017, (iii) the dispute regarding the Conforama ownership, which started in 2015 and was fully disclosed in the 2019 Financial Statements, (iv) Conforama audit evidence, which was a new disclaimer; unfortunately, due to travel restrictions in relation to the COVID-19 pandemic Mazars was unable to complete their audit at Conforama France, (v) the foreign currency translation reserves, which was related to classification of the foreign currency translation reserves of opening balances, all pre-2017; that uncertainty would work out of the system during the next audit, and (vi) going concern. Mr. De Klerk stated that there was no disagreement between management and Mazars, and Mazars did not disagree with any of the figures or the accounting that management had presented.

- 2.24. Mr. De Klerk explained further that there was also an **emphasis of matter** in the audit report. The purpose of an emphasis of matter was to draw the reader's attention to already disclosed items within the financial statements that the auditor deemed fundamental to the understanding thereof. The emphasis of matter included control conclusions, IFRS-10 and the Contingent Payment Undertaking-valuation regarding the Company's standalone financial accounts. Those valuations related to the debt documents and were basically a guarantee that the Company provided to debt holders for shortfall under certain circumstances on the debt facilities, whereas in prior years the Company guaranteed all debt at holding company level.
- 2.25. Mr. De Klerk concluded by touching on three of the agenda items in respect of **share capital**. He mentioned that item 7 was subject to the approval of item 6. Item 6 contained a Dutch law requirement, where there are certain limitations on authorised share capital that may not exceed five times the aggregate nominal share capital issued. Proposal 7 related to the cancellation of approximately forty million (40,000,000) shares which were

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currently being held by the Company. Those shares dated back to a share buyback that the Company undertook during 2017 and the Management Board was asking for approval to cancel such shares. Cancelling the shares would influence the math as in proposal 6 and hence the link between the two. Further, the Management Board was proposing to be granted the authority to acquire approximately one hundred and twenty-one million (121,000,000) shares, which were held within various non-trading entities within the Group. No final decision to repurchase those shares had been made yet, but for purposes of cleaning up the Group and eliminating the cost of maintaining those dormant entities, the Management Board would like to have the option available to acquire and thereafter cancel such shares. Mr. De Klerk confirmed that neither the capital reduction (agenda item 7) nor the acquisition of treasury shares (agenda item 8) would result in cash outflow of the Group.

- 2.26. Mr. Opzitter commenced his presentation by noting that following Mazars' **appointment** on 12 November 2019 as auditors of Steinhoff International Holdings N.V. succeeding Deloitte, significant work had been done by the auditors, also involving other specialists. For a first-year audit, a robust audit process was followed and an understanding of some the historical facts and the developments during Financial Year 2019 was obtained. One of the challenges of the audit was the outbreak of COVID-19 which caused travel restrictions and an additional area related to going concern. The 2019 Financial Statements had been prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with book 2 of the Dutch Civil Code. The audit had been performed in accordance with International Standards on Auditing (ISAs), and Dutch law.
- 2.27. Mr. Opzitter explained that based on the same an auditor should disclaim an opinion when in extreme rare circumstances involving multiple uncertainties, the auditor concluded that notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it was not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements. In addition, also Standard 570 on going concern was applicable. In situations involving multiple uncertainties that were significant to the financial statements as a whole, the auditor might consider it appropriate in extreme rare cases to express a **disclaimer of opinion**. For Financial Year 2019 Mazars concluded based on the standard mentioned to issue a disclaimer of opinion. Finally Mazars concluded that the extreme rare circumstances were applicable, mainly the combination of uncertainties. Multiple uncertainties, mainly litigation and tax,

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remained. Some were linked to the going concern consideration. The cumulative effect could be significant to the 2019 Financial Statements as a whole. Adequate and transparent disclosures by management of those uncertainties and judgements had been applied in the report. Mr. Opzitter emphasized that there were no areas of disagreement between Mazars and the Management Board on the reasons for the disclaimer of opinion. Mazars came to a disclaimer of opinion conclusion similar to FY 2017 and FY 2018.

- 2.28. Mr. Opzitter further explained that Mazars also included an **emphasis of matter** paragraph to draw the reader's attention to two items. For both items adequate disclosures were made. For the 'control conclusions on certain entities' Mazars included that paragraph because of the numerous complex and subjective judgements made by management. Reference was made to the basis of preparation in the 2019 Financial Statements for more details. Mazars included the 'CPU (Contingent Payment Undertaking)', as explained in detail in note 9 of the separate 2019 Financial Statements, because of the significant adjustments, the various assumptions and the fact that the calculation excluded the impact of the material uncertainties related to litigation and tax.
- 2.29. Mr. Opzitter concluded by noting that due to the fact that this was a first-year audit and given the context, Mazars performed a significant amount of work in the transition from Deloitte. In accordance with IAS 600 Mazars used the work of component auditors, Mazars and other audit firms. They reviewed all of the component auditors' audit files and were involved throughout the audit process. Significant audit areas where Mazars spent a significant amount of time included but was not limited to: (i) the going concern assumption in combination with a CVA and COVID-19; (ii) management override, including management estimates which was a mandatory topic from the audit standards; (iii) the valuation of goodwill and brands; (iv) income taxes, including uncertain tax positions; (v) litigation and claims; (vi) consolidation requirements according to IFRS-10; (vii) the accounting treatment and disclosure of disposals and discontinued operations; (viii) follow-up on the performed and ongoing forensic investigation; and (ix) the valuation of the CPU.
- 2.30. Mr. Du Preez proceeded with the management presentation by elaborating on management's current **strategy and focus**. The Management Board consisting of two members, under supervision of the Supervisory Board consisting of seven independent members, managed the Company as a global holding company with investments in a diverse range of retailers across the globe. The implementation of the Remediation Plan

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was important to ensure the appropriate **governance** across the Group and transparent reporting. The Company was still cooperating with the regulators and various enforcement agencies across the globe dealing with past matters. The revision and updating of the Group's regulations, policies and documentation was finalized.

- 2.31. He then gave an update on the **litigation** challenges the Group was facing. As announced at the end of July and also in the Group's other corporate reporting, the Group was facing complex legal claims and various litigation proceedings where claimants were claiming in excess of seven billion euro (€ 7,000,000,000) from the Group, predominantly at the level of the Company. Those were the claims that had been quantified. On top of that, there were still some claims that had not been quantified. The reality of the Group was that its financial position had as a result of the COVID-19 crisis deteriorated for two main reasons for purposes of a litigation settlement. Firstly, the Rand/Euro exchange rate had moved significantly against the Rand in the last few months. And secondly, the share price of Pepkor Holdings, the Company's main South African subsidiary, had dropped significantly over the last four to six months. Against the background of those realities, the Company believed that the proposed settlement was affordable and realistic, and therefore in the best interest of all the Group's stakeholders.
- 2.32. Mr. Du Preez continued by providing more details as to the nature of the claims that the Group was facing. The claims could be categorised in two main categories. The first was the so-called 'Market Purchase Claimants', which were parties that acquired shares in Steinhoff in the market and who did not have a direct relationship with the Company at the time when they acquired such shares. The second category of claimants was the so-called 'Contractual Claimants', which were individuals or entities that had a contractual relationship with the Company. In exchange for a business or for shares they received shares in Steinhoff. The majority of those claims was faced by the Group at the level of the Company, but also significant claims were made against the previous listed entity called Steinhoff International Holdings, now a private company, but previously a listed company ("**SIHPL**").
- 2.33. Mr. Du Preez further elaborated on the benefits of a **proposed settlement**. Firstly, the Company believed a settlement would remove uncertainty for all parties, being shareholders, financial creditors, litigants and management. Secondly, it would avoid expensive, lengthy and unpredictable court processes. Thirdly, it would allow management at Group level, but also at operational level, to focus purely on the underlying businesses. And fourthly, it was in line with our strategy to allow management

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to concentrate on Step 3 of the 3-step Key Management Focus to reduce debt and financing costs.

2.34. Mr. Du Preez moved on to providing more details of the proposed settlement terms as follows:

2.34.1. For Market Purchase Claimants: payment of an amount of approximately two hundred and sixty-six million euro (€ 266,000,000), which would be paid fifty per cent (50%) in cash and fifty per cent (50%) in Pepkor South Africa Shares (“**PPH shares**”), calculated at a denominator of fifteen Rand (R 15.00) a share, no lock-up, and the allocation methodology as set out in more detail in the term sheet published on the Company’s website.

2.34.2. For Contractual Claimants at the Company: payment of an amount of approximately one hundred and four million euro (€ 104,000,000), at relatively the same recovery rate as the Market Purchase Claimants, which would be paid fifty per cent (50%) in cash and fifty per cent (50%) in PPH shares at fifteen Rand (R 15.00) a share, and no lock-up.

2.34.3. For Contractual Claimants at SIHPL: payment of an amount of approximately seventy-six million euro (€ 76,000,000), which would exclude the Wiese entities at current exchange rates for an amount of just over four hundred million euro (€ 400,000,000) to be paid to Thibault and Wiesfam (i.e. entities related to Dr. Wiese). In addition, there was an obligation on Titan as part of the proposal for the repayment of the legacy claim for Titan for a deferred cash consideration that should commercially be subtracted from that amount. Mr. Du Preez pointed out that the proposed litigation settlement for the Thibault and Wiesfam entities was at a significantly lower rate than other Contractual Claimants. Contractual Claimants at SIPHL would also receive fifty per cent (50%) cash and fifty per cent (50%) in PPH shares calculated at fifteen Rand (R 15.00) a share, and a lock-up for at least one hundred and eighty (180) days period. And finally, Mr. Du Preez noted a somewhat different deal for the Pepkor management as well as their shareholding vehicle called BVI: one hundred per cent (100%) of PPH shares, but the denominator was thirteen Rand fifty (R 13.50) with a lock-up of three years. The effect of that is of course that more shares would be allocated to those Contractual Claimants.

2.35. Mr. Du Preez indicated that it was proposed to implement the litigation settlement by a suspension of payment (SoP) in the Netherlands and a Section 155 compromise or scheme of arrangement in South Africa. Those processes would run in parallel and it

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was expected that they would take four to six months to finalise, with payment shortly thereafter. The present status was that, as announced in July, management envisaged a four to six-week interaction period with litigants. He stated that the interaction with litigants by its nature was confidential. Mr. Du Preez emphasised that the outcome still remained uncertain, but confirmed that the Company would keep shareholders abreast of any developments if and when appropriate. He concluded by thanking the *Vereniging van Effectenbezitters* (VEB) for their public support for the litigation settlement, as expressed shortly after the announcement was made and reiterated the day before this meeting.

2.36. Mr. Du Preez continued with the **Key Management Focus**, noting that Step 1 had been completed, Step 2 was in progress with the announcement of 27th of July of this year having been a major step in the right direction. And continuously and parallel was Step 3, restructuring the Group with a view to reduce debt and financing costs. He referred to a question received from shareholders on what future steps were being contemplated and replied that the Group was considering possible IPOs of Pepco and Fantastic in Australia, while emphasizing, however, that no final decisions had been made in this regard. The Group would continue to dispose of non-core assets, and engage with regulators and the various enforcement agencies. Ultimately, management remained focused on being transparent and realistic within the legal constraints within which the Group operated.

2.37. At the end of his presentation Mr. Du Preez called attention to a number of **questions** that were received from shareholders prior to the meeting as follows:

2.37.1. Question: What is your strategy for the business?

Answer: The Company's strategy and direction is very clear. Steinhoff is a global holding company with a focus on retail investments. Management will focus on rebuilding the operations, stabilising the Group, realise value where appropriate and reduce debt levels. The Company's aim is to protect value for all stakeholders by ensuring long-term growth in the underlying operations while exercising tight control over capital and expenses.

2.37.2. Question: Do you expect to remain a global business, or will you shrink your geographic exposure over time?

Answer: Management expects to remain and continue to operate as a global holding company focusing on a diverse portfolio of international retail businesses. Obviously, the shape of the Group will change as it restructures

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and makes disposals. However, it is too early to comment on more details.

2.37.3. Question: What happens when you cannot agree a settlement?

Answer: If there is no global settlement, there is a risk that one or more of the litigants may ultimately secure judgements against Steinhoff. If that happens, the Company may potentially have to take steps to ensure that the plaintiffs with judgements do not benefit at the expense of others who do not have judgements. The Company may have to file for insolvency protection to ensure that claims be administrated in a fair and orderly fashion. The Company believes that in the event of an insolvency stakeholders will receive less than they would have received under the proposed global settlement. And if there is a liquidation, this is likely to happen after many years of expensive administration.

2.37.4. Question: Is there anything to be read into the dismissal of the South African class action? Is that an indicator for other matters?

Answer: Management's understanding from the recent South African class action where Ms. De Bruyn was the lead plaintiff, is that the court ruled that the courses of action, as pleaded against Steinhoff in that matter, were not viable. The period for appeal had lapsed and no appeal had been lodged. However, as with all legal cases, one must consider each case on its own merits and on its own facts.

2.37.5. Question: What would the residual value for shareholders be in 2023? What debt recovery percentages for creditors would be anticipated in 2023? What does Steinhoff anticipate that the advisory costs would be post the 2023 period?

Answer: The Company is unable to forecast in respect of this.

2.37.6. Question: What is Steinhoff's interaction with the regulators? Where do you stand? What do you anticipate the position would be in 2023?

Answer: The engagements with the regulators are confidential. The Company decided to make a financial contribution to the South African prosecuting authorities and will continue to do so.

2.37.7. Question: Why doesn't Steinhoff release the PwC report?

Answer: The Company does not intend to release such report because it is legally privileged.

2.37.8. Question: Why did Ms. Sonn leave?

Answer: The details of her resignation were fully disclosed in the market at the time and the Company has no further comment in that regard.

2.37.9. Question: With all the fancy titles and committees at Steinhoff, in substance

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how is any of what has been done thus far in the interest of shareholders?

Answer: The Company has survived to date despite what many commentators have said about this Group from December 2017.

2.37.10. Question: Why does the Management Board not pay attention to the share price? Will there be any equity value left in the Group for shareholders?

Answer: The Company is not in a position to express a view on the ultimate recovery or return to shareholders. Questions were raised on the Financial Statements about the ability to continue as a going concern, and certain judgement decisions were made, largely because of certain uncertainties relating to litigation. Ultimately the question of shareholder returns will depend on a number of factors, including firstly and probably most importantly, the performance of the underlying businesses; secondly, the markets' view as to how desirable the businesses are from an investor's perspective; thirdly, the speed at which the Company is able to pay down its expensive debt; and fourthly, management's focus remains to resolve the litigation through a comprehensive litigation settlement.

2.37.11. Question: Are the creditors in control of the business?

Answer: After the successful implementation of the financial restructuring the Group has a period of stability lasting until at least the end of December 2021. And during this period its cash interest burden has been lifted and the debt is no longer in default. As one would expect, in return the financial creditors have ensured that they have influence over the areas of the Company that provide security for their debt. Management is of the opinion that the Company has control over Newco 3. There are a number of checks and balances to ensure that the interests of all stakeholders are protected and that the Company ultimately owns both legally and beneficially the voting rights in the European companies.

2.37.12. Question: One year later, what does the implementation of the financial restructuring mean for the Group?

Answer: The Group has a period of stability which should continue until the end of December next year. The financial creditors have been very supportive of the Group during the unfolding of the COVID-19 pandemic. They are in principle supportive of an eighteen (18) to twenty-four (24) months debt extension being sought.

2.37.13. Question: Why is the Company not instituting legal proceedings against former Supervisory Board members, former Management Board members and other executives?

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Answer: The Supervisory Board and the Management Board established a joint Litigation Working Group to enable the Supervisory Board to oversee and to provide advice to the Management Board on litigation. This group consists of Mr. Louis Du Preez and three Supervisory Board members, Mr. Peter Wakkie, Mr. Paul Copley and Mr. David Pauker all of whom have extensive experience in global litigation. The litigation committee monitors and defends any claims brought against the Group and it has identified and will pursue recoveries against entities and individuals where appropriate. The evaluation of potential claims we may have against third parties will be continued. Some of those claims are dealt with in the Financial Statements, whereby Mr. Du Preez referred to the remuneration claims that have been instituted against previous Management Board members as well as the fact that previous Management Board members have been joined as third parties in most of the litigation that has been instituted against the Group.

2.37.14. Question: Does the Conservatorium dispute put the chance of a settlement at risk?

Answer: There is a theoretical risk that this could delay the settlement.

2.37.15. Question: Is the Seifert case finally clarified?

Answer: That litigation has been ongoing since 2015. Further court dates have been set for the leading of evidence.

3. Agenda item 3: Shareholder Q&A (discussion item)

3.1. The Chairperson proceeded with some further questions received during the course of the meeting regarding the Management Presentation.

3.2. Mr. Peters (Bureau Brandeis in Amsterdam and representing the PIC) asked three questions, of which the first was: On the 27th of July, the Company publicly announced the proposed settlement of litigation claims arising from legacy accounting issues. And in the press, it was communicated that the total settlement amounts to approximately one point one billion US dollars (USD 1,100,000,000). The Company's announcement did not discuss the timing of the contemplated settlement mechanisms. Can you please inform us of the contemplated timing of the settlement mechanisms that are on the table? Mr. Du Preez replied by repeating his statement included in paragraph 2.35 hereof. He emphasised that the Company had not made a final decision on the settlement mechanisms and that such decision would be made in consultation with the financial creditors and litigants.

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- 3.3. Mr. Peters' second question was: Can you also inform us to what extent the timing of a settlement impacts the so-called STI short-term bonus of the Management Board under the proposed remuneration policy that will be voted on today and, specifically, what the financial impact would be on management bonuses if legacy claims are settled in 2020 or within a year from now or later?

Mr. Du Preez responded that the management of litigation did form a part of the criteria that the Supervisory Board evaluated the performance of the Management Board on annually. There was no specific bonus or a lump sum payment that is dependent on the timing of the settlement of the legacy claims.

- 3.4. Mr. Peters' third question was: Can you please inform us what the impact will be on the short-term incentive for the Management Board if the settlement amount is either increased or decreased?

The Chairperson replied that, as Mr. Du Preez had explained, litigation was only one element of the performance measurements of the Management Board; to find a solution and to implement the solution. Timing or quantum of a settlement did not solely influence any benefit which the Management Board would receive.

4. Agenda item 4: Annual Reporting 2019

- 4.1. **Agenda item 4.1: Report of the Management Board, including the report of the Supervisory Board, for the financial year ended 30 September 2019 (the "2019 Annual Report") (discussion item)**

4.1.1. The Chairperson advised that agenda item 4.1 concerned the performance of the Company for the 2019 financial year as explained in the 2019 Annual Report, including the Report of the Supervisory Board. In respect of the performance of the Company in the 2019 financial year, she referred to the presentation provided by the Management Board under agenda item 2. The Report of the Supervisory Board was included on page 88 through page 94 of the 2019 Annual Report.

- 4.2. **Agenda item 4.2: Proposal to cast an advisory vote in respect of the remuneration report for the financial year ended 30 September 2019 (voting item)**

4.2.1. The Chairperson noted that agenda item 4.2 was an advisory voting item and concerned the remuneration report for the 2019 financial year. She referred to the Remuneration Report on page 96 through page 106 of the 2019 Annual Report.

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The Chairperson further reminded the attendees that at any time during this meeting, votes might be cast on all voting items on the agenda.

4.3. Agenda item 4.3: Explanation of any substantial change in the corporate governance structure of the Company and compliance with the Dutch Corporate Governance Code (discussion item)

4.3.1. The Chairperson explained that agenda item 4.3 was a discussion item and pursuant to the Dutch Corporate Governance Code, this item should be a separate item on the agenda.

4.3.2. The Chairperson reported that there were no substantial changes in the corporate governance structure of the Company. For the section describing compliance with the Dutch Corporate Governance Code, she referred to pages 84 and 85 of the 2019 Annual Report. The Chairperson highlighted that the Company deviated from Best Practice provision 3.4.1 (iv). This provision provides that the remuneration report should describe the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year. In deviation of this best practice provision, the Remuneration Report did not contain pay ratios because, due to the sale of a number of Group Companies and reorganisation within a number of Group companies during the Reporting Period, no representative reference group could be determined that would allow consistency and comparison in subsequent years and in light of the intended sale of further Group Companies and/or the reorganisation within Group Companies, no representative reference group could be determined that would allow consistency and comparison in subsequent years. The Company would annually review if pay ratios could be described or not.

4.4. Agenda item 4.4: Explanation of the policy on profits and reserves for the financial year ended 30 September 2019 (discussion item)

4.4.1. The Chairperson advised that agenda item 4.4 was again a discussion item and concerned a discussion of the policy on profits and reserves, which policy was available on the Company's website.

4.4.2. Mr. De Klerk confirmed that the Company did not realise any profits in the 2019

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financial year and as a consequence thereof, and in accordance with Dutch law, the Articles of Association and the Company's policy on distributions and reserves, no profits could be added to the reserves of the Company and no distributions of profits could be made to shareholders.

4.5. Agenda item 4.5: Proposal to adopt the annual accounts for the financial year ended 30 September 2019 (the "2019 Financial Statements") (voting item)

4.5.1. The Chairperson noted that agenda item 4.5 was a voting item and concerned the proposal to the General Meeting to adopt the Company's 2019 Financial Statements.

4.5.2. Ms. Watson, chairperson of the Audit and Risk Committee, stated that the Financial Statements were prepared after a robust process, and appropriately highlighted the relevant significant judgements and estimates. On the basis that these Financial Statements did appropriately present the level of uncertainty that the Group faced, the Financial Statements had been approved by each of the Management Board and each of the Supervisory Board members, and they were accordingly recommending that the General Meeting adopt the Financial Statements.

4.6. The Chairperson proceeded with some further questions received during the course of the meeting regarding the Annual Reporting 2019.

4.7. Mr. Peters noted that the PIC had repeatedly asked for the PwC report to be released by the Company as this report contains a detailed analysis of the legacy accounting issues. The PIC believes that it is relevant when assessing the Company's accounts to see this report. Can you please confirm that and when you will release the PwC report? The Chairperson reiterated that such report was privileged and would not be released.

4.8. The next question was raised by Mr. Soubhi. He asked if it is true that seventy-five per cent (75%) of the South African litigants and only fifty per cent (50%) of the European litigants have to agree on a proposed settlement for a positive outcome of step 2? Mr. Du Preez replied that it depended ultimately on if the Company decided to go down a section 155 or SoP route to implement a potential settlement. Different sets of criteria apply under South African law and under Dutch law.

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5. Agenda item 5: Remuneration

5.1. Agenda item 5.1: Proposal to amend the remuneration policy applicable to Managing Directors (voting item)

5.1.1. The Chairperson informed the meeting that agenda item 5.1 was a voting item and concerned the amended remuneration policy for members of the Management Board. She referred to the Remuneration Policy that was attached to the agenda as Appendix 2.

5.1.2. Mr. Nelson, chairperson of the Human Resources and Remuneration Committee, stated that the current remuneration policy applicable to Managing Directors dated from 1 December 2015. The Human Resources and Remuneration Committee of the Company had prepared a revised remuneration policy to align such current policy with Section 135a, Book 2 of the Dutch Civil Code, which became effective on 1 December 2019 to implement the revised EU Shareholders Rights Directive. Due to the current position Steinhoff was in, it remained difficult to attract and retain top executives. Mr. Nelson noted that several questions and comments were received from shareholders regarding remuneration ahead of the annual general meeting. In reply thereto he explained that the Supervisory Board had considered a number of remuneration models and was of the view that the remuneration policy was appropriate for Steinhoff at this time taking into account the Company's present circumstances, its challenges and its strategic direction. There were no changes to the remuneration of the Management Board as approved at the annual general meeting held in August 2019. Management Board remuneration was linked to performance and evaluated annually against performance conditions agreed with the Supervisory Board which were reported on in the Annual Report.

5.1.3. Mr. Nelson continued by indicating that the remuneration structure comprised three elements: a base salary benchmarked through remuneration specialists; the potential to earn an annual cash-based short-term incentive, to a maximum of seventy-five per cent (75%) of base salary, provided that the Management Board member achieved the performance criteria agreed with the Supervisory Board; and the potential to earn a cash based longer-term incentive, to a maximum of one hundred per cent (100%) of base salary, paid in equal tranches over a three year period, provided that the Management Board member remained with the Company, which served the purpose of retention and achieved performance criteria agreed

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with the Supervisory Board in each of those successive years. A failure to achieve the performance criteria would result in the non-payment of the performance component of the longer-term incentive tranche. Three years might be perceived as a relatively short period, however the unique challenges which the Company was facing necessitated and justified that approach.

5.1.4. Mr. Nelson concluded by explaining that the cash-based LTI scheme which replaced the share-based LTI scheme, which was highlighted as a deviation from the policy last year, was now included in the proposed policy. An equity incentive was not deemed appropriate for retaining, rewarding and attracting key individuals at this point. The Supervisory Board would continue to monitor the appropriateness of the remuneration principles and policy as progress was made in stabilising and restructuring the Company. Changes emanating from that ongoing review would be presented at the annual general meeting for approval. The Supervisory Board proposed to the meeting, in accordance with article 15.11 of the Articles of Association, to amend the remuneration policy applicable to Managing Directors.

5.2. Agenda item 5.2: Proposal to adopt the remuneration policy applicable to Supervisory Directors (voting item)

5.2.1. Agenda item 5.2 was a voting item and concerned the adoption of the remuneration policy for members of the Supervisory Board. The Chairperson referred to the Remuneration Policy that was attached to the agenda as Appendix 3.

5.2.2. Mr. Nelson informed the meeting that pursuant to Section 135a, Book 2 of the Dutch Civil Code, in conjunction with Section 145, subsection 2, Book 2 of the Dutch Civil Code, the Company was obliged to have a new remuneration policy in place for the Supervisory Directors. The Human Resources and Remuneration Committee of the Company had prepared a new remuneration policy to that effect. The Supervisory Board proposed to the General Meeting, in accordance with article 24.12 of the Articles of Association, to adopt the new remuneration policy for the Supervisory Directors.

5.2.3. He further noted that the most important changes from the current remuneration policy adopted at last year's annual general meeting were:

- (i) firstly, refinements to safeguard alignment with new legal requirements due to the implementation of the revised EU Shareholders Rights Directive; and

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- (ii) secondly, the merging of the Governance, Social and Ethics Committee with the Audit and Risk Committee.

5.3. Agenda item 5.3: Proposal to amend the remuneration of the Supervisory Directors (voting item)

5.3.1. After the Chairperson stated that agenda item 5.3 was again a voting item and concerned the amendment of the annual remuneration of the members of the Supervisory Board, she referred to the fee structure schedule which was set out in the Explanatory Notes to the agenda.

5.3.2. Mr. Nelson noted that the proposed Supervisory Board membership fees were unchanged from what was approved at the last annual general meeting. Supervisory Directors received a flat fee as a supervisory director and a fee for the committees on which they served. The level of activity for Supervisory Board members, as well as the related risks, both at a Company and personal level, remained high. While the fees were unchanged from those approved at the annual general meeting in August 2019, the number of committees was reduced with the incorporation of the Governance, Social and Ethics Committee into the Audit and Risk Committee.

6. Agenda item 6: Amendment of the Company's articles of association

Proposal to partially amend the Company's articles of association (voting item)

6.1. The Chairperson noted that agenda item 6 was a voting item and concerned the proposal to partially amend the articles of association.

6.2. Mr. Wakkie, Chairman of the former Governance, Social and Ethics Committee, explained that the Management Board proposed, with the approval of the Supervisory Board, to partially amend the Company's articles of association in accordance with Appendix 4 by: decreasing the authorised capital of the Company in articles 4.1 and 4.2 sub (a) of the Company's articles of association, and deleting the first sentence of article 25.6 of the Company's articles of association and amending the second sentence of that article. Pursuant to Dutch law, the authorised capital of the Company may not exceed five times the aggregate nominal value of the issued capital. In anticipation of the proposed Capital Reduction (as defined under agenda item 7), it was proposed to decrease the authorised capital of the Company included in articles 4.1 and 4.2 sub (a)

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in order to stay within that limit. The first sentence of article 25.6 provides that the Company shall have an audit and risk committee, a human resources and remuneration committee, and a nomination committee. Best practice provision 2.3.2 of the Dutch Corporate Governance Code provides that, if the Supervisory Board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee, but it is not mandatory to reflect such provision in the articles of association.

- 6.3. Mr. Wakkie further stated that the proposed amendment of article 25.6 would allow the Supervisory Board to resolve upon any future optimisation of its committees' structure. If this would result in a deviation from the Dutch Corporate Governance Code, the reason for such deviation would be explained in the corporate governance report in the Company's management report.
- 6.4. Mr. Wakkie confirmed that the Dutch and English verbatim text of the proposed amendment to the articles of association of the Company had been made available as Appendix 4 to the agenda of the meeting, had been published on the website of the Company and had been made available at the office of the Company in South Africa.
- 6.5. Mr. Wakkie concluded by noting that the aforementioned proposal to amend the articles of association of the Company included the proposal to authorise each Managing Director as well as each civil law notary, candidate civil law notary and notarial employee of Linklaters LLP, Amsterdam office, to sign the deed of amendment of the articles of association of the Company and to undertake all other action that the authorised person deemed necessary or useful.

7. Agenda item 7: Capital Reduction

Proposal to reduce the issued capital of the Company by cancelling Shares held by the Company (voting item)

- 7.1. The Chairperson presented agenda item 7 and noted that, upon proposal by the Management Board, with the approval of the Supervisory Board, and subject to the passing of the resolution to partially amend the Company's articles of association under agenda item 6 above, agenda item 7 was a voting item and concerned the share capital reduction.
- 7.2. Mr. De Klerk explained that it was proposed to reduce the issued capital of the Company

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by cancelling forty million one hundred eighteen thousand and ninety-three (40,118,093) ordinary Shares, currently held by the Company. The capital reduction aimed at optimising the Company's equity structure. The Company would deposit the resolution to cancel the Shares with the Dutch Trade Register and would announce the capital reduction in a daily nationally distributed newspaper. The aforementioned resolution would only take effect after two months having passed since the abovementioned announcement had been made, provided that no creditor had opposed the capital reduction during that period.

- 7.3. In respect of agenda item 7 the Company Secretary confirmed that the resolution required a simple majority of over fifty per cent (50%) of the votes cast. However, since less than fifty per cent (50%) of the Shares was (virtually) present or represented at the meeting, the resolution required a majority of at least two-thirds of the votes cast, in accordance with Section 99, subsection 6, Book 2 of the Dutch Civil Code, and article 11.4 of the Articles of Association.

8. Agenda item 8: Authorisation of the Management Board to acquire Shares

Proposal to authorise the Management Board to acquire Shares (voting item)

- 8.1. Chairperson indicated that, upon proposal by the Management Board, with the approval of the Supervisory Board, agenda item 8 concerned the authorisation of the Management Board to acquire fully paid-up ordinary Shares from certain subsidiaries of the Company.
- 8.2. Mr. De Klerk stated that the authority conferred by the resolution would expire at the earlier of the conclusion of next year's annual general meeting or the date which fell eighteen (18) months from the date of the annual general meeting. The proposal was made in accordance with article 98, subsection 4, Book 2 of the Dutch Civil Code and article 9 of the Articles of Association. Ordinary Shares might be acquired at the stock exchange or otherwise, at a price for the ordinary Shares between the nominal value and a price equal to the highest price at which ordinary Shares traded on the Frankfurt Stock Exchange or the JSE Limited on the preceding or trading day of the relevant acquisition. Ordinary Shares might be acquired from subsidiaries of the Company only and up to a maximum of one hundred and twenty-one million two hundred and sixty-seven thousand five hundred and ninety-five (121,267,595) ordinary Shares. The proposal aimed at enabling the Management Board to repurchase the Company's own ordinary Shares, currently held by certain subsidiaries of the Company, in order to optimise the Company's equity structure.

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9. Agenda item 9: Appointment of the statutory audit firm for the financial years ending 30 September 2020 and 30 September 2021

Proposal to appoint Mazars Accountants N.V. as statutory audit firm for the financial years ending on 30 September 2020 and 30 September 2021, respectively (voting item)

9.1. The Chairperson informed the meeting that agenda item 9 was a voting item and concerned the appointment of the external auditor for the financial years ending 30 September 2020 and 30 September 2021.

9.2. Ms. Watson noted that, upon recommendation by the Audit and Risk Committee, the Supervisory Board had nominated Mazars Accountants N.V. as the Company's external auditor for both the 2020 and 2021 financial years. She said that the Management Board and the Supervisory Board were very pleased that Mazars had indicated that they were willing to continue the engagement as the Company's external auditor for the current financial year and for the next one.

9.3. As agenda item 9 was the last voting item of the meeting, the Chairperson closed the vote on all agenda items and informed the attendees that the final voting results would be calculated and then displayed after agenda item 10.

10. Agenda item 10: Any other business

10.1. The Company Secretary announced that a number of questions were received from Mr. Soontornvipat. His first question was whether there would be a debt cut at the end of the CVA? Was a debt cut envisaged or was a debt cut excluded?

Mr. Du Preez answered that in the Company's discussions with the financial creditors that was currently not envisaged.

10.2. The second question was what happened with the cash when the Seifert case was settled and Conforama France was sold? Would collateral be further increased, or would cash be generated for Shareholders?

Mr. Du Preez replied that, as Mr. De Klerk had indicated in his presentation, Conforama France was sold for a nominal amount. The importance of that transaction was that the liabilities that were at the Conforama France level also were transferred potentially to the new purchaser. He emphasized that the transaction was still subject to antitrust

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approval. Therefore, no cash would come up from that sale.

10.3. The third question from Mr. Soontornvipat was if there was a plan B if the plaintiffs disagree the settlement and if such plan B could be explained?

Mr. Du Preez reiterated that this settlement was in the best interest of all the stakeholders within the reality within which the Company operated. As to the plan B, he referred to the important factors for potential value for stakeholders mentioned in his presentation. There was a risk that, if the litigation ultimately ran its full course and there were potentially findings or a judgement against the Company, a liquidation could ensue.

10.4. A fourth question was raised by Mr. Soontornvipat. He asked what the maximum period was that Steinhoff reserved for accepting the settlement? Was there a proposed final date for consent of the individual claimants?

Mr. Du Preez answered that at the moment no final date had been stated. Management anticipated a four to six-week period to engage with various stakeholders, which process was ongoing. He emphasised that any litigation settlement that was ultimately proposed would require the consent of the Group's lenders for two reasons, being (i) for the quantum of the settlement, and (ii) for the debt extension. Ultimately, in consultation with our various stakeholders, of which the financial creditors were a very important one, that final decision would be made.

10.5. The fifth and final question from Mr. Soontornvipat related to where Steinhoff would be in five years' time if its major problems were solved as planned according to management's three-step approach?

Mr. Du Preez dealt with that question by referring back to the four factors he mentioned in relation to shareholder value in his presentation in paragraph 2.37.10 hereof.

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10.6. The Company Secretary confirmed that the voting results were as follows:

	Number of votes for resolution (%)	Number of votes against resolution (%)	Voting result
Agenda Item 4.2: Proposal to cast an advisory vote in respect of the remuneration report for financial year ended 30 September 2019	5.92%	94.08%	Proposal rejected
Agenda Item 4.5: Proposal to adopt the annual accounts for the financial year ended 30 September 2019	48.13%	51.87%	Proposal rejected
Agenda Item 5.1: Proposal to amend the remuneration policy applicable to Managing Directors	13.51%	86.49%	Proposal rejected
Agenda Item 5.2: Proposal to adopt the remuneration policy applicable to Supervisory Directors	98.42%	1.58%	Resolution adopted
Agenda Item 5.3: Proposal to amend the remuneration of the Supervisory Directors	95.27%	4.73%	Resolution adopted
Agenda Item 6: Proposal to partially amend the Company's articles of association	99.23%	0.77%	Resolution adopted
Agenda Item 7: Proposal to reduce the issued capital of the Company by cancelling Shares held by the Company	99.10%	0.90%	Resolution adopted
Agenda Item 8: Proposal to authorise the Management Board to acquire Shares	89.37%	10.63%	Resolution adopted
Agenda Item 9: Proposal to appoint Mazars Accountants N.V. as statutory audit firm for the financial years ending on 30 September 2020 and 30 September 2021, respectively	90.53%	9.47%	Resolution adopted

10.7. In reaction to the above voting results the Chairperson, on behalf of the Supervisory Board, thanked all of the shareholders that voted and showed an interest in the

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Company. She noted that three of the proposals were unfortunately not passed. She expressed her disappointment about that. However, she said that the Supervisory Board did respect the outcome. Regarding the Remuneration proposals, the Chairman of the Human Resources and Remuneration Committee explained the philosophy and rationale behind the policies, and she indicated that the feedback received would certainly be reviewed as the Supervisory Board continued to engage on that important aspect of the business. The negative votes on the adoption of the Annual Report were similarly noted. The CFO, the external auditor and the chairperson of the Audit and Risk Committee had all explained the complexities faced regarding the Financial Statements. And much of the uncertainty would remain with the Group for a while. Despite that, the Management Board, under supervision of the Supervisory Board, remained committed to implement the strategy and to execute the plans in the interest of all stakeholders.

11. Agenda item 11: Closing

The Chairperson declared the meeting closed at fifteen twenty-seven hours (15:27) CET. She thanked all shareholders and their representatives present for their virtual attendance and also members of the Management Board and the Supervisory Board, and Mr. Onno Opzitter of Mazars. She also thanked the staff at Computershare for their assistance with this meeting, as well as the team in the Cape, and Mr. Gijs ter Braak from Simmons & Simmons. She concluded by thanking the Company Secretary for all her arrangements in respect of the meeting.

Drawn up in Stellenbosch (South Africa) on 13 October 2020 and adopted on 11 January 2021.

M.A. Moses
Chairperson of the Supervisory Board

S. Radema
Company Secretary