

STEINHOFF INTERNATIONAL HOLDINGS N.V.

## REMUNERATION POLICY OF THE SUPERVISORY BOARD

Adopted by the General Meeting on 28 August 2020

# Steinhoff International Holdings N.V.

## Remuneration Policy

### 1 Proposed Remuneration Policy for the Supervisory Board

**1.1** The Supervisory Board of Steinhoff International Holdings N.V. (the “**Company**”) is pleased to present the proposed remuneration policy for the Supervisory Board of the Company (the “**Remuneration Policy**”). The Supervisory Board’s review of the current remuneration policy for the Supervisory Board took into consideration a number of factors including new legal requirements due to the implementation of the Shareholders Rights Directive II<sup>1</sup> and the intention of the Supervisory Board to merge certain supervisory board committees. In keeping with our resolve to ensure that the Group operates in an open and transparent manner with a view to ensure that information is provided to all within the legal parameters within which the Group currently operates, the Supervisory Board has also considered a strategic view of options available to the Company in the short and medium term, and the external corporate governance environment. The Supervisory Board furthermore reached out to various stakeholders (such as investors, creditors and proxy advisory bodies) and weighed their input for the determination of this Remuneration Policy.

**1.2** Korn Ferry was appointed in 2019 to provide independent advice in respect of the Supervisory Board remuneration and to provide a professional view of a future fee structure for the Supervisory Board. In addition, they have provided advice on market and best practices through the Korn Ferry European NED Report of 2018 and 2019 which has been reviewed in the setting the Remuneration Policy. The Human Resources and Remuneration Committee is comfortable that the advice given by Korn Ferry has been objective. The Remuneration Policy has been prepared by the Human Resources and Remuneration Committee and is recommended by the Supervisory Board for adoption by the General Meeting. The Remuneration Policy will be effective with retroactive effect as of 1 October 2019 upon adoption by the General Meeting.

**1.3** The most important changes compared to the current remuneration policy and fees as adopted on 31 August 2019 are:

**1.3.1** refinements to safeguard alignment with new legal requirements due to the implementation of the Shareholders Rights Directive II; and

**1.3.2** inserting the merger of the Governance, Social and Ethics Committee into the Audit and Risk Committee.

### 2 Introduction

**2.1** The Remuneration Policy has been adopted by the General Meeting, upon a proposal of the Supervisory Board.

**2.2** The terms used in this Remuneration Policy shall have the same meaning as ascribed thereto in the Regulations of the Supervisory Board, except where expressly indicated otherwise.

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<sup>1</sup> EU Directive 2017/828.

- 2.3** The “**Group**” in this regard refers to Steinhoff International Holdings N.V. together with its direct and indirect subsidiaries and other group companies, including all legal predecessors and successors of these companies.

### **3 General considerations**

The Company is primarily a global holding company with investments in a diverse range of retail businesses in various countries. The strategy of the Company is to oversee the debt arrangements with various creditors, manage the litigation risk and restructure the Group with a view to reducing the debt and related financing costs while overseeing the strategic direction and governance of the continuing operations. In view of the accounting irregularities, which were uncovered in December 2017 and the consequences thereof for the Group, the Company’s sustainability and primary longer-term objective continues to revolve around achieving value preservation within the Group. The Company sees its mission as being to rise above the past indiscretions and the values of trust, integrity and transparency were taken into account when establishing this Remuneration Policy. The complexities of restructuring and the recovery process that has encompassed all aspects of the Company’s business have required Supervisory Board members to spend significantly more time on their responsibilities than under normal circumstances and it is anticipated that these challenges will continue for at least the near future.

- 3.1** The Remuneration Policy is based on the following principles:

- 3.1.1** the remuneration supports the appropriate composition of the Supervisory Board and promotes the proper fulfilment of duties by Supervisory Directors, being independent and fostering critical discussion with each other, the Management Board and in any other respect;
- 3.1.2** the remuneration promotes effective performance by the Supervisory Directors of their role, which contributes to the business strategy, longer-term interests and sustainability of the Company (as defined hereinabove);
- 3.1.3** the remuneration reflects the time spent, the risk profile and the responsibilities of the role of Supervisory Directors, the strategic view of options available to the Company in the short and medium term, the external governance environment and the interests of all stakeholders;
- 3.1.4** the remuneration shall not be dependent on the results of the Company; and
- 3.1.5** Supervisory Directors shall not be granted any form of variable remuneration, including shares and/or rights to subscribe for shares, by way of remuneration.

- 3.2** The Supervisory Director’s fee is set to be competitive and above the upper quartile to retain or attract the required calibre of Supervisory Directors under the extraordinary circumstances of the Group following the events of December 2017.

### **4 Remuneration elements**

The remuneration of Supervisory Directors consists of the Supervisory Board membership fee and if applicable, Committee membership fee(s). Such fees shall constitute 100% of the remuneration that could be awarded to a Supervisory Director. Furthermore, Supervisory Directors are entitled to expense allowances.

## 5 Membership and Committee fees

- 5.1 The fee for Supervisory Directors is a fixed cash compensation. The membership and any committee fee(s) of Supervisory Directors shall not exceed the following amounts:

<b>Supervisory Board membership fees*</b>	
Chairperson of the Supervisory Board	300,000
Deputy-Chairperson of the Supervisory Board	220,000
Any other member of the Supervisory Board**	130,000
<b>Additional committee membership fees</b>	
Chairperson of the Audit and Risk Committee	50,000
Member of the Audit and Risk, Committee	30,000
Chairperson of the Nomination Committee	20,000
Member of the Nomination Committee	10,000
Chairperson of the Human Resources and Remuneration Committee	30,000
Member of the Human Resources and Remuneration Committee	15,000
Member of the Group Litigation Working Group	30,000
*Fees displayed are in Euro.	
**Not being the Chairperson or the Deputy-Chairperson of the Supervisory Board.	

- 5.2 All fees accrue on a daily basis and are due and payable by the Company at the end of each calendar quarter and if required, upon receipt of an invoice.
- 5.3 All fee amounts are exclusive of value added taxes (VAT). If Supervisory Directors are required to charge VAT on their fees, the Company shall pay the amount of VAT in addition to the fee amount.
- 5.4 All membership fees are in Euro. If payments are made in another currency, the average exchange rate of the relevant quarter will apply. The fee for the chairperson of a committee is in addition to the fee paid as chairperson of the Supervisory Board, if the chairperson of the Supervisory Board is also chairperson of a committee.

## 6 Expense reimbursement

Supervisory Directors are entitled to expense allowances for properly documented expenses reasonably required for the proper performance of their duties.

## **7 Insurance and indemnity**

The Company will take out customary liability insurance for the benefit of Supervisory Directors and the Articles will provide for a customary indemnity provision for the benefit of the Supervisory Directors.

## **8 Loans and guarantees**

The Company shall not grant personal loans or guarantees or the like, including mortgage loans, to a Supervisory Director except within the framework of its usual business operations, on conditions which apply to all employees. Loans are not remitted.

## **9 Contractual arrangements with Supervisory Directors**

There are no written services agreements entered into by the Company with any of the Supervisory Directors. Supervisory Directors are not entitled to any severance payment nor any pension, and there are no notice periods applicable.

## **10 Execution, adoption and changes of Remuneration Policy**

- 10.1** The Remuneration Policy is reviewed and evaluated by the Supervisory Board annually.
- 10.2** The General Meeting, upon proposal of the Supervisory Board, shall determine the remuneration of Supervisory Directors.
- 10.3** The Remuneration Policy shall be submitted by the Supervisory Board to the General Meeting for adoption to implement every change to the Remuneration Policy and in any case at least every four years. The Remuneration Policy is adopted by the General Meeting with a simple majority of over 50 per cent of the votes cast, without a quorum being required.
- 10.4** After the vote on the Remuneration Policy at the General Meeting the Remuneration Policy together with the date and the results of the vote shall be made public without delay on the website of the Company and shall remain publicly available, free of charge, at least as long as it is applicable.
- 10.5** If this Remuneration Policy is changed and resubmitted to the General Meeting, a description with explanation of any material changes shall be made available.
- 10.6** If this Remuneration Policy is changed and resubmitted to the General Meeting, a description with explanation of how the voting results and views of the General Meeting were taken into account since the last time the Remuneration Policy was submitted for adoption shall be made available.
- 10.7** The Supervisory Board shall ensure the implementation of this Remuneration Policy.

## **11 Miscellaneous**

This Remuneration Policy was adopted by the General Meeting on 28 August 2020.

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