

SETTLEMENT PROPOSAL FREQUENTLY ASKED QUESTIONS

Steinhoff International Holdings N.V. (“SIHNV”) and Steinhoff International Holdings Proprietary Limited (“SIHPL”)

No.	Question	Answer
The proposed settlement process		
1	What happens next and how does the settlement process work?	<ul style="list-style-type: none"> • This is not yet a final settlement process. If sufficient support is received in favour of the proposal, including the required outstanding approvals, then a settlement implementation process will be launched. • Steinhoff is still considering the options. One of the options currently available to Steinhoff to implement the global settlement is by a composition plan which will be submitted in draft form (<i>ontwerp van akkoord</i>) immediately on the filing of the request for a Suspension of Payments (<i>surseance van betaling</i>) (“SoP”) procedure in the Netherlands by SIHNV and a pre-prepared compromise plan pursuant to section 155 of the Companies Act 71 of 2008 (“s155”) in South Africa by SIHPL. SIHNV and SIHPL continue to consider whether there may be appropriate settlement mechanisms to supplement and/or replace such implementation procedures. • The Group reserves the right to supplement and/or replace such implementation procedures with other bi-party, multi-party and/or collective settlement mechanisms as it considers appropriate. • Shareholders who held shares at 5 December 2017 and any other claimants are advised to seek independent legal and financial advice in respect of the Steinhoff settlement proposal. • Initial information forms to be completed by any claimant for the purpose of supporting the proposed settlement can be found at the Steinhoff website. If SIHNV and SIHPL resolve to launch a settlement implementation process, they will provide updates on the formal process for claims filing administration at that time.
2	What should I do to take part in the proposed global settlement?	<ul style="list-style-type: none"> • Shareholders should complete the following web-form on Steinhoff's website to register their details: https://www.steinhoffinternational.com/settlement-form-no1.php

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3	What is the nature of the proposed process?	<ul style="list-style-type: none"> Steinhoff anticipates spending the next 4 – 6 weeks engaging with all stakeholders, including financial creditors, to seek support for the settlement on the terms proposed by SIHNV and SIHPL. Following this initial period, Steinhoff anticipates being able to determine whether there is sufficient support for the proposed settlement and, if so, the appropriate implementation method. Steinhoff will provide an update on such matters as possible, as well as on expected timetables and processes. Steinhoff is assessing the options to conclude the settlement if consents are obtained. One of the options available to implement the global settlement is submission of a composition plan in draft form (<i>ontwerp van akkoord</i>) immediately on the filing of the request for an SoP procedure in the Netherlands by SIHNV and a pre-prepared compromise plan pursuant to an s155 process in South Africa by SIHPL. Steinhoff reserves the right to supplement and/or replace such implementation procedures with other bi-party, multi-party and/or collective settlement mechanisms as it considers appropriate.
4	How long will the proposed process take?	<ul style="list-style-type: none"> If SIHNV and SIHPL resolve to launch an implementation process for the proposed settlement, the full duration of that process, once launched, is estimated to be between 6 and 12 months. SIHNV and SIHPL intend to implement the proposed settlement with the objective of distributing the first instalment of the settlement consideration during Q1 of the 2021 calendar year. SIHNV will provide updates on the progress generally, including the outcome of the South African Reserve Bank and financial creditors consent requests and, if SIHNV and SIHPL resolve to launch an implementation process, the details of such processes and the timing of the launch.
5	What will happen to the SIHNV shares during the SoP and s155?	<ul style="list-style-type: none"> The likelihood is that neither a SoP nor a s155 should impact the trading of SIHNV shares and trading of the shares should not be suspended during the processes. This is, however, subject to the relevant regulators or the SIHNV Board taking a different view at the time. The SoP and s155 are court supervised implementation mechanisms, which would then be followed by distribution of the settlement consideration to claimants.

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6	What level of claimant support is needed for the settlement to become effective?	<ul style="list-style-type: none"> • This will vary depending on which implementation process is chosen. • In the event that a formal settlement process is launched by SIHNV by way of a SoP procedure in the Netherlands, the level of claimant support required is 50% of creditors (including financial creditors) present and voting at the creditors' meeting, representing at least 50% of the total value of claims against SIHNV. • For a s155 process in South Africa, if launched by SIHPL, the level of claimant support required is a majority in number, representing at least 75% by value, of creditors present and voting in each class of creditors of SIHPL.
7	What happens if you fail to secure a settlement of the litigation?	<ul style="list-style-type: none"> • If SIHNV and SIHPL are unsuccessful in securing a settlement of the outstanding litigation then the various litigation processes will simply continue. Although SIHNV's management is unable to estimate the potential cash outflow in the case of unfavourable decisions by the courts, the potential outflows of cash could be considerable and may also impact SIHNV's going concern assumption. • In the event that the proposed global settlement does not receive sufficient support required to launch an implementation, Steinhoff will revisit the prospects of any settlement and available options at that time. • Steinhoff urges all claimants to take this opportunity to conclude a settlement on the proposed terms, which will allow Steinhoff to continue operations and preserve value for all stakeholders, including the employees of the Steinhoff group's underlying businesses.
8	Is liquidation the alternative to the proposed settlement and are jobs at risk?	<ul style="list-style-type: none"> • If SIHNV and SIHPL are unsuccessful in securing a settlement of the outstanding litigation then further progress of Steinhoff's restructuring could be in doubt. • At that point, Steinhoff would consider all options open to it, having regard to the interests of all stakeholders and the respective fiduciary duties of the Supervisory Board and Management Board of SIHNV, the board of SIHPL and the boards of SIHNV's subsidiaries.

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		<ul style="list-style-type: none"> • Steinhoff's firm position remains that liquidation would be a bad outcome for all stakeholders which would materially impair the value of assets available for distribution and likely diminish the amount of the claimants' recoveries relative to the settlement. This is why Steinhoff is urging all claimants to take this opportunity to agree a settlement.
9	You refer to "all stakeholders" – which stakeholders are you considering?	<ul style="list-style-type: none"> • Reference to "all stakeholders" means: <ul style="list-style-type: none"> ○ current ordinary and preference shareholders; ○ financial creditors; ○ employees of Steinhoff's underlying businesses; ○ customers; ○ suppliers and landlords; ○ various government related entities, including regulators; and ○ the claimants.
10	What indications of support for the proposed global settlement have you had?	<ul style="list-style-type: none"> • Implementation of the proposed settlement process remains subject to certain approvals and it has yet to commence. Steinhoff believes the terms of the proposed settlement are fair and realistic in the circumstances and urges claimants to take this opportunity to agree a settlement. • Vereniging van Effectenbezitters ("VEB") has issued a support statement and withdrawn its collective (class) action in the Netherlands and recommended the proposal. • Steinhoff will provide a subsequent update in relation to support levels, as and when appropriate.
11	What approvals do you require?	<ul style="list-style-type: none"> • In order for the proposed global settlement to proceed, approval is required from: <ul style="list-style-type: none"> ○ the financial creditors, as explained in the announcement; ○ the South African Reserve Bank and any other relevant regulatory bodies; and ○ sufficient claimants to justify launching an implementation of the proposed settlement.

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12	Why didn't the Board simply liquidate SIHNV and/or SIHPL?	<ul style="list-style-type: none"><li data-bbox="768 280 2069 507">• A liquidation would not add value. Rather, a liquidation of SIHNV and/or SIHPL, and resulting accelerated sales or liquidation processes in respect of their direct and indirect interests in Steinhoff group companies and substantial costs of liquidation would, in SIHNV's and SIHPL's view, materially impair the value of assets available for distribution to their respective stakeholders (including litigants) and would adversely affect the timing and diminish the amount of the claimants' recoveries in comparison to the proposed settlement.<li data-bbox="768 523 2069 596">• Such processes could also be expected to adversely affect the interests of the Steinhoff group's broader stakeholders, including customers and employees.

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Benefits of the proposed global settlement		
1	What is the current status of the class action lawsuits against Steinhoff?	<ul style="list-style-type: none"> • With respect to the South African class action (De Bruyn as the lead plaintiff), the court recently ruled that the causes of action pleaded against Steinhoff were not viable. The period for appeal of that judgment has now passed without an appeal being lodged. • As a result of the announcement of the proposed global settlement the VEB has agreed to withdraw its collective (class) action against SIHNV in the Netherlands. • The only outstanding class action against Steinhoff is the Stichting Steinhoff International Compensation Claims (“SSICC”) collective (class) action against SIHNV in the Netherlands.
2	What will settlement mean for Steinhoff’s future?	<ul style="list-style-type: none"> • Settlement of the outstanding litigation is essential to secure a future for the Steinhoff group. Steinhoff’s liabilities exceed its assets and it has in excess of EUR 9 billion of centrally borrowed financial debt in addition to the claims – this is an unsustainable situation and reducing its indebtedness to a more manageable level is critical to its future. However, at present, the Steinhoff group is facing legal claims of c. €10 billion and these must be addressed before any plan to deleverage can be developed and implemented. • Settlement would also free up Steinhoff management’s time and resources currently dedicated to the conduct of litigation and settlement negotiations, which could be re-directed towards the ongoing restructuring and improving the Steinhoff group’s underlying businesses. • The proposed settlement will provide litigation claimants with certainty, compared with the cost and uncertainty of continuing with protracted, expensive and unpredictable court processes in pursuing their claims.

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Proposed global settlement terms		
1	How have you arrived at the value of the various settlements and why do you believe it is fair?	<ul style="list-style-type: none"> • Steinhoff has formulated proposed settlement amounts for various claimant groups in light of the characteristics of, and risks affecting, their claims, the Steinhoff group's ability to continue trading and maximise the asset value available to it, and the likely outcomes for claimants if Steinhoff was unable to do so and liquidation ensued. • The proposed settlement terms also have regard to the material impact of the Covid-19 pandemic on the value of the Steinhoff group's underlying businesses and the adverse currency movements. • In respect of 'Market Purchase Claims' against Steinhoff, the Steinhoff group has engaged Analysis Group to provide expert advice and to develop a methodology for calculating alleged claims against Steinhoff for the purposes of allocating settlement consideration. Steinhoff believes that this methodology is reasonable and market standard in similar securities litigation cases. • In respect of 'Contractual Claims' against Steinhoff, the Steinhoff group has calculated alleged claims based on a recommended loss methodology developed by its legal and financial advisers. • More information on these methodologies can be found in the Settlement Term Sheet (https://www.steinhoffinternational.com/downloads/2020/litigation_claims/Project_Universe_SIHNV_and_SIHPL_term_sheets.pdf). • Consideration will be 50 per cent in cash funded from the South African sub-group and 50 per cent in shares of Pepkor Holdings Limited (the Group's South African retail subsidiary, referred to as "PPH"). No shares of Pepco Group (formerly known as Pepkor Europe) will be used as settlement consideration.

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2	What are the terms of the proposed global settlement for the financial creditors?	<ul style="list-style-type: none"> • The SIHNV and SIHPL financial creditors holding contingent payment undertakings (“CPUs”) (other than creditors holding Hemisphere International Properties B.V. CPUs), will not be eligible to receive any distribution as part of the proposed settlement in respect of their claims under the SIHNV CPUs and the SIHPL CPUs. • Instead, they will be asked to provide their consent for the proposed global settlement and to waive any tortious (delictual) claims they may have against the Steinhoff group, D&O insurers and auditors. • In addition, the financial creditors will be asked for a consent to extend the maturity date of the CPUs and the underlying debt obligations by 18 months to 30 June 2023 with an option for a further 6 month extension on the approval of a lower CPU creditor voting threshold. The proposed extension of the debt is to provide the Steinhoff group with the breathing space to implement the global settlement.
3	If a claimant still holds Steinhoff shares from before December 2017, do they have to give them back in exchange for the settlement consideration?	<ul style="list-style-type: none"> • Claimants are entitled to keep the SIHNV shares they currently own.
4	Will all shareholders that purchased shares on the open market be treated equally in the proposed settlement?	<ul style="list-style-type: none"> • All shareholders that purchased Steinhoff shares with eligible claims against SIHPL and/or SIHNV will be treated equally, taking into account the date on which they purchased shares and the assumed inflation of the share price on that date in accordance with the inflation methodology.
5	How are individual / retail shareholders being catered for?	<ul style="list-style-type: none"> • The Public Investment Corporation and other asset managers that invested on behalf of pension funds are all able, and are encouraged, to participate in the settlement, and as such their beneficiaries will be catered for.

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		<ul style="list-style-type: none"> As a key purpose of the settlement is to allow for the continued operations of the Steinhoff group, there is also an opportunity for those individuals who are still shareholders of SIHNV to realise value on their investments.
6	<p>Why are the SIHPL Contractual Claimants getting a higher recovery than the MPCs?</p>	<ul style="list-style-type: none"> Contractual claimants assert claims based on direct dealings with Steinhoff culminating in a contract for the acquisition of shares by exchange, subscription or purchase. Specifically, such claimants assert legal entitlements to rescind or cancel contracts on the alleged basis that they were entered into on the basis of misrepresentations by Steinhoff's representatives in pre-contractual negotiations and seek to claim back from Steinhoff the consideration paid for the shares; alternatively they seek to claim damages in lieu of cancellation or restitution of that consideration. The methodology on which it is proposed that contractual claimants are compensated reflects the legal nature of these claims. By contrast, market purchase claimants did not deal directly or contract with Steinhoff when they acquired shares. Such claims face material legal complexity relative to contractual claims. As the recent South African judgment in the De Bruyn case shows, an absence of direct dealing with Steinhoff means there are higher legal hurdles for market purchase claimants in establishing that SIHPL owed them legal liability in respect of their share purchases. Such claimants may also face obstacles with respect to evidencing reliance on the alleged misrepresentations at the time that they transacted, and establishing or quantifying recoverable loss. The differentiation in proposed recoveries at SIHPL between market purchase claimants and contractual claimants reflects these material legal uncertainties and the material litigation risk affecting the market purchase claims. The settlement terms propose that market purchase claimants be compensated with reference to a methodology that estimates the extent of the price "inflation" in their shares attributable to alleged misrepresentations in Steinhoff's public disclosures at the time that they acquired the relevant shares from third parties in the market. This type of methodology is a recognised basis of

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		<p>assessing the quantum of claims of class action securities claimants and allocating settlement consideration amongst them, and Steinhoff considers it the appropriate approach to use here.</p>
7	<p>Why is the proposed pay-out so low relative to the claims?</p>	<ul style="list-style-type: none"> • It has always been Steinhoff's intention to provide some degree of value for shareholders who held shares at 5 December 2017 and who suffered losses. Any settlement needs to be considered against the background of the financial position of the Steinhoff group and its very significant levels of financial indebtedness, the impact of Covid-19 on the Steinhoff group's underlying businesses and the effect of adverse currency movements, as well as certain legal uncertainties affecting the claims. Steinhoff believes the terms are fair and realistic in the circumstances. • A global settlement of litigation claims was contemplated when the Steinhoff group's EUR 9.2 billion financings were restructured and extended by agreement of its financial creditors in August 2019. • The terms of the proposed settlement represent value for claimants materially in excess of the permission granted by financial creditors for such a settlement at that time and will therefore require fresh consent from financial creditors, who will also be required to make certain further concessions, including the extension to the maturity of their loans to the Group by 18 months (with an option to extend for a further 6 months on further lender consent). Although there can be no assurance in this respect, Management believe that the proposed terms of settlement will nonetheless obtain the support of the financial creditors.
8	<p>Has the value of the settlement proposal been reduced because of Covid-19?</p>	<ul style="list-style-type: none"> • Covid-19 has had a material impact on the value of the Steinhoff group's underlying businesses and this inevitably reduces the value available to Steinhoff to settle the claims.
9	<p>Couldn't you sell down more of PPH and increase the pay-outs?</p>	<ul style="list-style-type: none"> • PPH remains a key strategic asset of the Steinhoff group, and it is important for the preservation of value for all stakeholders that Steinhoff's shareholding remains above 50%. • The total available for settlement has to take into account the claims of all stakeholders, including the financial creditors (whose support is critical for the success of any implementation).

No.	Question	Answer
Financial position of SIHNV		
1	How much debt does the Steinhoff group have and what is the current net asset value?	<ul style="list-style-type: none">• The Steinhoff group had total borrowings in excess of EUR 11.4 billion as at 30 September 2019, made up of EUR 2.2 billion at OpCo level and EUR 9.2 billion within Corporate and Treasury services (which continue to accrue interest).• Please see the Unaudited Half-Year Results for the Six Months Ended 31 March 2020, that were published on 30 July 2020, at the following web-address: https://www.steinhoffinternational.com/downloads/2020/steinhoff_unaudited_results_2020.pdf