

STEINHOFF'S

corporate governance report

“Corporate governance involves a set of relationships between a company’s management, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set and the means of attaining those objectives and of monitoring performance are determined.”

Organisation for Economic Cooperation and Development

ABOUT THIS REPORT/BACKGROUND

The aim of this annual report is to provide stakeholders with an overview of the approach of the Steinhoff international Holdings N.V. group (the group) to corporate governance, at both group and divisional level, and to demonstrate that the group’s businesses and assets across the globe are managed responsibly and in a sustainable manner.

On 7 September 2015, shareholders approved a scheme of arrangement and specific share repurchase by Genesis International Holdings NV (Genesis), a company registered in the Netherlands and in South Africa, in terms of which Genesis acquired the entire issued share capital of Steinhoff International Holdings Limited (Steinhoff Limited) on the terms and conditions detailed in the circular to shareholders issued by Steinhoff Limited dated 7 August 2015. Pursuant to the

adoption of the scheme of arrangement and specific share repurchase, Genesis changed its name to Steinhoff International Holdings N.V. (Steinhoff N.V. or the company) and, on 7 December 2015, was granted a primary listing on the Frankfurt Stock Exchange in Germany, with a secondary listing on the JSE Limited in South Africa. In addition, Steinhoff N.V. adopted new articles of association that are compliant with the Dutch Corporate Governance Code. At the extraordinary general meeting of the company held on 30 May 2016, inter alia, shareholders approved the amendment of the company’s articles of association to change the financial year-end of the company to 30 September and to extend the financial reporting period under review to 30 September 2016. The company’s articles of association can be viewed on the company’s website at www.steinhoffinternational.com.

This report covers corporate governance issues relevant to Steinhoff N.V. Group for the period ended 30 September 2016 and has been compiled in accordance with the Dutch Corporate Governance Code, Dutch legislation and regulations and, to the extent applicable and practicable, in terms of South African legislation and regulations.

The company fully endorses the underlying principles of the Dutch Corporate Governance Code and is committed, as far as possible, to adhering to the best practices contained within the code. The company is compliant with the Dutch Corporate Governance Code, with the exception of the following best practice provisions:

III.1.9. This provides that the company shall provide the necessary means for the supervisory board to obtain information from the management board, officers and external advisors of the company. Under the supervisory board regulations, the supervisory board may, should circumstances so require, be assisted by experts. The reasonable costs of such assistance shall be for the account of the company, provided that these have been approved by the management board.

III.2.1. This provides that all supervisory directors, with the exception of not more than one person, shall be independent within the meaning of the Dutch Corporate Governance Code. In deviation from the code's requirements, the supervisory board regulations provide that the majority of the supervisory directors shall qualify as independent within the meaning of the code. Five out of the eleven supervisory directors do not qualify as independent within the meaning of the code. These non-independent non-executive Supervisory directors, through their wider association with the group and its operations over the years, bring an informed dimension to supervisory board deliberations. This is of particular importance given the diversity and geographical spread of the group's operations.

III.3.5. This provides that a person may be appointed to the supervisory board for a maximum of three four-year terms. The supervisory directors were appointed for an initial interim period and, at the extraordinary general meeting held on 30 May 2016, the supervisory board was reconstituted. (For full details of the current supervisory board refer to the supervisory board report). A rotation schedule has been adopted by the supervisory board pursuant to clause 3.9 of the regulations of the supervisory board and is available on the company's website at www.steinhoffinternational.com.

III.5.4 This provides that the nomination committee shall focus on supervising the policy of the management board on the selection criteria and appointment procedures for senior management. This responsibility falls within the authority of the human resources and remuneration committee, which possesses the resources and capabilities to address this issue.

IV.3.1 This provides that meetings with analysts, presentations to analysts, investors and institutional investors and press conferences shall be announced in advance on the company's website and by means of press releases, and that provisions shall be made to follow these meetings in real time. Pursuant to the management board regulations, the company shall announce such planned meetings, presentations and conferences in advance on the company's website. To the extent practically possible, the company shall make provisions to follow these meetings, presentations and conferences in real time. Presentations shall be placed on the company's website after these meetings.

V.2 This provides that the external auditor is appointed by the general meeting. The general meeting on 1 December 2015, authorised the supervisory board to determine which auditor it wished to engage in respect of the audit of the financial reporting period ended 30 September 2016, with the authority to appoint such auditor for the current financial year as well as the authority to determine the terms of engagement of such auditor. The supervisory board has confirmed the appointment of Deloitte Accountants B.V. as the company's external auditor for the 2016 financial year.

INTRODUCTION

In line with the group's decentralised management approach, day-to-day responsibility for ensuring that the group's businesses are appropriately managed rests with divisional management and their boards. In accordance with the Dutch Corporate Governance Code, separate management and supervisory boards have been constituted at holding company level. There are defined reporting lines from divisional level to the management board of Steinhoff N.V. to ensure that the divisional operations' approach to corporate governance remains in line with group policies. Notwithstanding this decentralised approach, the ultimate responsibility for retaining full and effective control of the group's businesses rests with the management board and the supervisory board, in accordance with their respective mandated roles and applicable rules.

CORPORATE RESPONSIBILITY

Decisions on material matters are reserved by the management board, which is the executive body entrusted with the management of the company's operations and strategy, as well as the operations of the group, subject to supervision by the supervisory board. These decisions on material matters include, but are not limited to, decisions on the allocation of capital resources to optimise the return on shareholders' funds and the authorisation of procurement capital expenditure, property transactions, borrowings and investments, other than where pre-approved materiality levels, which have been defined by the management board, apply. In order to create value in the short, medium and long term for its stakeholders in a balanced, ethical and sustainable manner and to ensure compliance with the applicable laws and regulations governing its operations, Steinhoff N.V. remains committed to ensuring the maintenance of effective and sustainable corporate governance and ethical practices across all group operations.

TWO-TIER BOARD STRUCTURE

As mentioned above, the company has adopted a two-tier board structure, consisting of the management board and the supervisory board. The management board and the supervisory board are accountable to Steinhoff N.V.'s shareholders.

Management board

Responsibilities of the management board

The detailed responsibilities of the management board are contained in formal regulations that were adopted on 1 December 2015. These regulations can be viewed on the company's website at www.steinhoffinternational.com. The management board is entrusted with the management of the company's and the group's objectives, subject to the supervision of the supervisory board. Certain important resolutions of the management board are subject to the approval of the supervisory board and the general meeting. These resolutions are detailed in schedule 2 to the management board regulations' which are available on the company's website at www.steinhoffinternational.com. The management board's responsibilities include, inter alia, subject to submission to the supervisory board for approval, setting and achieving the company's objectives, determining the company's strategy and risk profile, for example in respect of the financial ratios, ensuring the ensuing delivery of results and addressing corporate social responsibility issues that are relevant to the group. The management board, which has powers of delegation to individual managing directors within the group and/or committees, may perform all acts necessary or useful for achieving the company's objectives, save for such acts as may be prohibited by law or by the company's articles of association.

Activities of the management board during the period under review

Details of the activities of the management board during the period under review are included within this annual report, including details of the company's operational and financial objectives, the strategies formulated to achieve these objectives, the parameters to be applied to the strategies and any relevant corporate social investment issues.

During the period under review, the management board assessed the design and effectiveness of the Group's internal risk management and control systems, details of which are included in the risk report contained within this annual report. No significant changes to these systems were made

or recommended and there were no material breakdowns in internal controls across the group. The management board has confirmed that group's internal risk management, internal control systems provide reasonable, albeit not absolute, assurance that company's business objectives will be achieved within the risk tolerance levels defined by the management board and approved by the supervisory board.

The management board has a reporting line to the supervisory board and furnishes the supervisory board with the information required by that board for the performance of its duties. The management board is required to inform the supervisory board in writing, at least once a year, of the main aspects of the company's strategic policy, the general and financial risks and the company's management and auditing systems.

Composition, appointment, removal and suspension of the management board/ managing directors

The management board consists of at least two managing directors, with the number of managing directors to be determined by the supervisory board. Details of the current management board, including a brief curriculum vitae of each managing director, are given below. The management board currently consists of three executive managing directors as follows:

MJ Jooste: Chief executive officer

AB la Grange: Chief financial officer

DM van der Merwe: Chief operating officer

These managing directors possess a wide range of business-related expertise and significant experience in financial, commercial, manufacturing, retail, logistics, furniture industry, timber and related raw material activities and have detailed knowledge of the group's activities across the globe. None of the management board members are members of supervisory boards (as defined under Dutch law) of other listed companies. However, Messrs Jooste, la Grange and van der Merwe serve as non-executive

directors on the board of KAP Industrial Holdings Limited and, in addition, Mr Jooste serves as a non-executive director on the boards of Phumelela Gaming and Leisure Limited and PSG Group Limited and Mr la Grange serves as an alternate director to Mr Jooste on the board of PSG Group Limited; all of which are companies that are listed on the JSE Limited in South Africa.

Following a non-binding nomination by the supervisory board, with due observation to the provisions under the articles of association of the company, the management board members are appointed by shareholders at the annual general meetings of the company (the "general meeting") for four-year terms and may be reappointed for terms not exceeding four years at a time. There is no maximum aggregate term for managing directors. The general meeting may, at any time, suspend or remove a management board member upon a proposal by the supervisory board.

Curricula vitae

Markus Johannes Jooste (55)

BAcc, CA(SA)

Member of the management board

Markus is group chief executive officer for Steinhoff N.V. He obtained a B Accounting degree at the University of Stellenbosch in 1982 and a certificate in the Theory of Accounting from the University of Cape Town in 1983 before qualifying as a Chartered Accountant in 1986. In 1988, Markus joined Gommagomma Holdings Proprietary Limited (now Steinhoff Africa Holdings Proprietary Limited) as financial director. In 1998, he was appointed as executive director and took responsibility for the European operations of the Steinhoff group. In 2000, Markus was appointed chief executive officer of Steinhoff Limited and chairman of Steinhoff Africa, and in 2013, he was appointed chief executive officer for the Steinhoff group's operations. Markus serves on the boards of various unlisted Steinhoff group companies, including Conforama Holdings S.A. and the following listed companies: PSG Group Limited (member of the remuneration committee), Phumelela Gaming and Leisure Limited (member of the remuneration committee) and KAP Industrial Holdings Limited.

Daniël Maree (Danie) van der Merwe (58)

BComm, LLB

Member of the management board

Danie is the group chief operating officer for Steinhoff N.V. He was admitted as an attorney of the High Court of South Africa in 1986 and practised as an attorney specialising in the commercial and labour law fields. In 1990, Danie joined the Roadway Transport Group and was instrumental in developing the strategic direction and growth of this group. In early 1998, following the merger of Roadway Transport Group with Steinhoff Africa, he joined the Steinhoff group and in 1999, was appointed as a director of Steinhoff Limited. He previously acted as chief executive officer for Steinhoff's Southern Hemisphere operations and was appointed as group chief operating officer in 2013. Danie holds several other appointments within the Steinhoff group of companies and currently serves on the boards of Steinhoff Asia Pacific Limited and Steinhoff UK Holdings Limited. He also serves as a non-executive director of KAP Industrial Holdings Limited (member of the human resources and remuneration and nomination committees).

Andries Benjamin (Ben) la Grange (42)

BCom (Law), CA(SA)

Member of the management board

Ben is the group chief financial officer for Steinhoff N.V. He completed his articles with PricewaterhouseCoopers Inc. and spent two and a half years in its international and corporate tax division. Ben joined Steinhoff in 2003 as manager of the corporate tax division, whereafter he moved to the Steinhoff corporate finance division before his appointment as chief financial officer for the group's Southern Hemisphere operations. In 2009, he was appointed as an alternate director to the Steinhoff Limited board and was appointed as group chief financial officer in March 2013. Ben also serves as an alternate director of PSG Group Limited and as a non-executive director of KAP Industrial Holdings Limited.

Authority to represent the company

The company is represented by the management board and each managing director has the individual authority to represent the company.

Conflict of interest

Pursuant to the company's articles of association and the management board rules, managing directors are required to immediately report any existing or potential personal conflict of interest to the company and to the chairman and/or deputy chairman and the lead independent supervisory director and to the other managing directors, providing all relevant information.

Should a personal conflict of interest preclude a resolution from being adopted by the management board, the resolution will be referred to the supervisory board. All transactions in which there are conflicts of interest with managing directors will be agreed on terms that are customary in the sector concerned and will be disclosed in the company's annual management report. Resolutions to enter into transactions in which there are conflicts of interest with managing director(s) that are of material significance to the company and/or the relevant managing director(s) require the approval of the supervisory board.

Save as reported below, during the period under review, no conflicts of interest were brought to the attention of the management board or the supervisory board and no such transactions or transactions between the company and any legal or natural persons holding at least 10% of the company's shares took place. During the period under review,

an entity owned and/or controlled by the chairman of the supervisory board, Mr CH Wiese, through a private placement at a market-related price, subscribed for 314 000 000 shares in the company, full details of which were announced by the company. The best practice provisions II.3.2 to 11.3.4 of the Dutch Corporate Governance Code have been complied with and best practice provision III.6.4 has been observed.

Executive committee

To assist the management board with the fulfilment of its duties, an executive committee has been established.

The executive committee members are:

MJ Jooste
AB la Grange
DM van der Merwe
JNS du Plessis
P Erasmus
HJK Ferreira
SJ Grobler
KJ Grové
FJ Nel
M Nel
H Odendaal
P Pohlmann
D Schreiber
S Summers

The following supervisory board members, including the chairman and deputy chairman of the supervisory board, as well as the following executives regularly attend the executive committee meetings as invitees:

D Konar
BE Steinhoff
CH Wiese
JD Wiese
P Griffiths
A Nodale
N Pohlmann

Various members of the executive team, designated staff members and divisional directors regularly attend these meetings as invitees. The committee meets regularly, approximately every three weeks and formally each month, with senior executive management, designated staff members and divisional directors. The chairman and deputy chairman of the supervisory board and Mr Bruno Ewald Steinhoff are regular invitees at executive committee meetings. The management board may suspend and dismiss a member of the executive committee who is not also a managing director. The

management board retains the authority to adopt resolutions within the scope of authority of the executive committee without the participation of committee members who are not also members of the management board.

Purpose

Responsible for assisting and advising the chief executive officer in implementing the strategies and policies determined by the management board in managing the business and affairs of the company, prioritising the allocation of capital, technical and human resources and establishing best management practices.

Monitors the performance of the company and assists the chief executive and chief financial officer in preparing the annual budget for review and approval by the management board.

Responsible for reviewing and monitoring the company's system of internal control and ensuring an effective risk management process.

Reviews merger and acquisition opportunities.

Attendance

All committee members attended all meetings of the executive committee held over the reporting period.

Chief financial officer

The chief financial officer is Andries Benjamin (Ben) la Grange. Mr la Grange previously served as chief financial officer of Steinhoff International Holdings Limited, a position which he held from 2013. A review of his appointment as chief financial officer of Steinhoff N.V. was undertaken at the audit and risk committee meeting held on 2 December 2016 and the committee is satisfied that Mr la Grange possesses the appropriate experience and qualifications for this position.

Remuneration of managing directors

Subject to compliance with sections 2.383c up to and including 2.383e of the Dutch Civil Code, insofar as these relate to the management board, the authority to establish remuneration and other conditions of service for managing directors is vested in the supervisory board, assisted by the human resources and remuneration committee.

The remuneration paid to managing directors and the share rights granted to managing directors for the period under review are detailed in the annual accounts in note 31.1.

Remuneration for managing directors consists of a base salary, a performance-related incentive bonus, retirement contributions, medical scheme membership and participation in long-term incentive schemes.

The governance of the managing directors' remuneration is undertaken by the human resources and remuneration committee, which makes recommendations to the supervisory board. The responsibility for ensuring that the managing directors are fairly and responsibly remunerated has been formally delegated to the supervisory board. Details of the approach of the human resources and remuneration committee in fulfilling its responsibilities are given in the remuneration report, which has been published on or about the date of this report and is available on the company's website at www.steinhoff.co.za.

Management board meetings and attendance

The members of the management board attended all management board meetings held on 8 September 2015, 1 December 2015, 29 February 2016, 31 May 2016, 5 September 2016 and 19 September 2016.

Supervisory board report

Responsibilities of the supervisory board

The supervisory board, which is accountable to the general meeting, supervises the management of the management board and the general course of affairs of the company and its businesses and provides advice to the management board, including, but not limited to:

achievement of the company's objectives;

the corporate strategy and risks inherent in the business activities;

the structure and operation of the internal risk management and control systems;

the financial reporting process;

compliance with applicable laws and regulations; and

relations with shareholders.

The detailed responsibilities of the supervisory board are contained in formal regulations that were adopted on 1 December 2015. The regulations, the supervisory board rotation schedule and the supervisory board profile can be viewed on the company's website at www.steinhoffinternational.com. In performing its duties, the supervisory directors are required to

be guided by the interests of the company and its business enterprise, taking into account the interests of all stakeholders and observing corporate social responsibility issues relevant to the group.

The supervisory board meets at least four times a year and additionally as one or more of the supervisory directors or the management board may deem necessary. Meetings are scheduled to take place every quarter. Corporate strategy meetings are held as an integral part of the supervisory board meetings and corporate strategy is a specific agenda item. The supervisory board also reviews the main risks of the business and, at least once a year, the result of the assessment by the management board of the design and effectiveness of the internal risk management and control systems as well as any significant changes thereto.

The supervisory board meets with the management board as often as the chairman, the deputy chairman the company secretary or the management board deem necessary.

Activities of the supervisory board during the period under review

During the financial period ended 30 September 2016, the supervisory board met as indicated above and fulfilled its responsibilities. The supervisory board was actively involved in advising the management board in the decision-making process, and more specifically in the identification of potential risks associated with acquisitions considered by the company over the reporting period. In particular, the supervisory board advised on the acquisitions of Mattress Firm Holdings Corporation, Poundland Plc, Iliad Africa Trading Proprietary Limited, Tekkie Town Proprietary Limited, Fantastic Holdings Limited, as well as the offers made in regard to Home Retail Group and Darty plc. The supervisory board further advised the management board on the convertible bond issuances and in relation to the capital raise completed in September 2016.

During the period under review, the supervisory board reviewed and approved the company's strategy and risk profile submitted by the management board. The supervisory board concurs with the assessment by the management board that, during this period, the design and effectiveness of the group's internal risk management and internal control systems were satisfactory and that no significant changes to these systems had been required.

There were no significant issues that were brought to the attention of the supervisory board during this period and up to the date of this report that require

specific mention, and the supervisory board continues to play its role of reinforcing and enforcing all aspects of corporate governance across the group. For detailed information on corporate social responsibility matters, please refer to the separate report, which has been published on or about the date of this report, and is available on the company's website at www.steinhoffinternational.com.

Composition, appointment, removal and suspension of supervisory directors

The supervisory board shall consist of at least five supervisory directors. Details of the current supervisory board, including a brief curriculum vitae of each supervisory director, are given below. The supervisory board, the composition of which is such that the members are able to act critically and independently of one another, and the management board, which takes into account the nature of the business, its activities and the desired expertise and background of its members, currently consists of the following persons, all of whom were appointed/reappointed on 30 May 2016. The supervisory board rotation schedule, which is available on the company's website at www.steinhoffinternational.com, reflects the date of possible reappointment of these supervisory directors.

SF Booyesen **	17.06.1962
CE Daun *	26.01.1943
TLJ Guibert	26.11.1970
D Konar*#: Deputy chairman	19.02.1954
A Kruger-Steinhoff	16.07.1971
MT Lategan**	26.02.1957
HJ Sonn*	20.10.1971
BE Steinhoff	26.11.1937
J van Zyl**	01.06.1956
CH Wiese: Chairman	10.09.1941
JD Wiese	12.01.1981

* Supervisory directors qualifying as independent within the meaning of the Dutch Corporate Governance Code.

Financial experts with relevant knowledge and experience of financial administration and accounting for large legal entities or listed companies.

Dr Christoffel Hendrik (Christo) Wiese (75)

BA, LLB, DCom (hc)

Chairman of the supervisory board

Dr Wiese was appointed as a supervisory board director of Steinhoff N.V. in November 2015 and as chairman of the supervisory board in May 2016. He previously served as an independent non-executive director to the Steinhoff Ltd board, having first been appointed on 5 March 2013.

He practised at the Cape Bar in the 1970s before joining Pepkor Holdings Ltd. He acts as chairman and controlling shareholder of Shoprite Holdings Limited, Invicta Holdings Limited, Tradehold Limited and Brait SA Limited, and is a former chairman of the Industrial Development Corporation. Dr Wiese has served on the boards of many listed companies over the years and is a past director of the South African Reserve Bank. He is a member of the Steinhoff N.V. nomination committee.

Deenadayalen (Len) Konar (62)

BCom, MAS, DCom, CA(SA), CRMA

Deputy chairman

Dr Konar is the deputy chairman of the supervisory board of Steinhoff N.V., having been appointed as a supervisory board director in November 2015.

Dr Konar, having been appointed to the Steinhoff Limited board in 1998, was appointed chairman of the board in September 2008 and held various committee positions, including chairman of the audit committee. He acted as chairman of the supervisory board for the period 30 November 2015 to 31 May 2016 and is currently chairman of the nomination committee and a member of the audit and risk and human resources and remuneration committees.

Dr Konar is an independent consultant and professional director. Prior positions include executive director of internal audit portfolio and head of investments at the Independent Development Trust, and Professor and Head of the Department of Accountancy at the University of Durban-Westville. He is a past patron of the Institute of Internal Auditors South Africa, and a member of the King Committee on Corporate Governance in South Africa, the Corporate Governance Network and the Institute of Directors. He was appointed chairperson of the ministerial panel for the review of the regulation of accountants and auditors in South Africa in 2003 and served as chairman of the external Audit Committee of the International Monetary Fund. Dr Konar is also a non-executive director of Lonmin Plc, Alexander Forbes Group Holdings Limited, Sappi Limited and Exxaro Resources Limited.

Stefanes Francois (Steve) Booyesen (54)

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

Dr Booyesen was appointed to the Steinhoff Limited board as an independent non-executive director in September 2009 and as a supervisory board director of Steinhoff N.V. in November 2015.

He completed his articles with Ernst & Young and acted as lecturer at the University of South Africa. In 2006, he was appointed as council member of the University of Pretoria. Dr Booyesen is the former group chief executive officer of Absa Group Limited. He also serves on the boards of Clover Limited, Efficient Group Limited, Senwes Limited and Vukile Property Fund Limited. Dr Booyesen is the chairman of Steinhoff N.V.'s audit and risk committee and a member of the human resources and remuneration committee.

Claas Edmund Daun (73)

BAcc, CA

Mr Daun was appointed as a supervisory board director of Steinhoff N.V. in November 2015, having first been appointed as an independent non-executive director of Steinhoff Limited in 1998. He served as deputy chairman of the supervisory board for the period 30 November 2015 to 31 May 2016 and is currently a member of the nomination committee.

Mr Daun has extensive experience in management and investments worldwide and is a corporate investor in several industries. Mr Daun was instrumental in developing the KAP businesses and acted as chairman of KAP Industrial Holdings Limited for many years. Mr Daun resigned from the KAP board on 25 June 2012. He is currently a member of the board of Daun and Cie AG, chairman of the boards of KAP AG, Stöhr AG and Mehler AG, and holds several other directorships. Mr Daun is honorary consul of South Africa in Lower Saxony, Germany. He holds a master's degree in business commerce from the University of Cologne and qualified as a chartered accountant in 1975.

Marthinus Theunis (Theunie) Lategan (59)

BAcc (Hons), MCompt, DCom (Accounting), CA(SA), Advanced Diploma Banking Law

Dr Lategan was appointed as a supervisory board member of Steinhoff N.V. in November 2015, having previously served as an independent non-executive director on the Steinhoff Limited board since September 2011.

After qualifying as a chartered accountant in 1983 he lectured in accounting and taxation at the University of Johannesburg until 1987, after which he returned to practise at Price Waterhouse MeyerNel. He joined Rand Merchant Bank in 1994 and later became head of its structured finance unit. In 1999 he became chief executive officer for the corporate banking unit of First National Bank. In 2004 he was appointed to the executive management committee of the FirstRand Group and served on various committees. In 2005, Dr Lategan was appointed chief executive officer for FirstRand Africa and Emerging Markets and, in 2007, he relocated to India to set up FirstRand Banking Group, India. He retired from the FirstRand Group in July 2010. Since 2007, Dr Lategan has served as a member of the council of the University of the Witwatersrand, Johannesburg. He serves as vice-chairman for Absa Corporate and previously acted as chairman of RARE Holdings Limited, an AltX-listed company. In addition to his appointment as an independent non-executive director, Dr Lategan is the chairman of Steinhoff N.V.'s human resources and remuneration committee and a member of the audit and risk committee.

Thierry Louis Joseph Guibert (45)

MBA (FR)

Mr Guibert was appointed as a supervisory board director of Steinhoff N.V. in November 2015.

After graduating from the Reims Business School, Mr Guibert began his career in 1995 as an auditor at KPMG. He then joined the previous holding company of Conforama, the French listed PPR Group (now known as Kering), in 1999. Following various financial positions held within PPR, Mr Guibert was appointed as chief financial officer and chief operating officer of FNAC, a European retailer within the same group. Since 2008, Mr Guibert held the position of chairman and chief executive officer of Conforama, which was acquired by Steinhoff Limited in March 2011. He was appointed to the board of Steinhoff Limited as an executive director in May 2011 and, following his resignation from Conforama in 2014, continued to serve on the Steinhoff Limited board as a non-executive director.

Angela Krüger-Steinhoff (45)**BCom (Economic Science)**

Ms Krüger-Steinhoff was appointed as a supervisory board director of Steinhoff N.V. in November 2015, having previously been appointed as an alternate non-executive director of the Steinhoff Limited board in December 2007.

Ms Krüger-Steinhoff obtained a degree in Economic Science in 1997 at the European business school, Oestrichwinkel, Germany. She joined the Steinhoff group in 1997 as a financial manager. In 1999, she was seconded to act as managing director of the Australian operations. She resigned from the group at the end of 2005 and now attends to the Steinhoff family investments. She has more than 10 years' experience in the industry, with specific knowledge of and extensive experience in management and investments globally. Ms Krüger-Steinhoff also holds a position on the advisory committees of Oldenburgische Landesbank AG, HSH Nordbank AG and Commerzbank AG in Germany.

Heather Joan Sonn (44)**BA (Political Science), MSc (International Business)**

Ms Sonn was appointed as a supervisory board director of Steinhoff N.V. in November 2015, having previously served as an independent non-executive director of Steinhoff Limited since December 2013.

On completion of her studies in 1997, Ms Sonn joined Merrill Lynch New York as an investment banking analyst.

She returned to South Africa in 1999 and took up a position with Sanlam Investment Management in Cape Town. Ms Sonn has served as chief executive for Legae Securities, deputy chief executive for WIP Capital, chief executive for The Citizens Movement, is a former director of Strate and was instrumental in building the basis for Barclays' global integrated bank initiative while at Barclays Bank plc. She currently serves on the board of Gamiro Investment Group, Prescient Limited and as an alternate director for Macsteel Service Centres SA Limited. She is also a fellow and moderator of the Aspen Institute's Global Leadership Network.

Bruno Ewald Steinhoff (78)

Mr Steinhoff is the founder of the Steinhoff group and was chairman of Steinhoff Limited until the end of September 2008. He was appointed as a supervisory board director of Steinhoff N.V. in November 2015.

He relinquished executive duties with effect from 1 April 2008, and continues serving as a non-executive director, assisting with special projects for the group. After studying industrial business, Mr Steinhoff started his furniture trade and distribution business in Westerstede, Germany, in June 1964. Before he started his own business he also gained furniture import and furniture retail experience, having spent three years in Berlin. In 1971, he expanded the business into manufacturing, with the first upholstery factory in Remels. Mr Steinhoff developed the furniture industry throughout the former Eastern bloc countries and built up the furniture factories there, he took over all the capacities and sold furniture to Western Europe. He also developed the import business from Asian countries, especially from the Philippines, Taiwan and China. During the 1980s, Mr Steinhoff acquired interests in a joint venture in South Africa with Claas Daun involving Gommagomma Holdings. He has more than 55 years' experience in the furniture business and more than 45 years' manufacturing experience. 1 July 2014 marked Mr Steinhoff's 50th year in the industry.

Johan van Zyl (59)**BSc (Agricultural Science), BSc (Hons) (Agric) (cum laude), MSc (Agric) (cum laude), DSc (Agric), PhD (Economics)**

Johan was appointed as a supervisory board director of Steinhoff N.V. on 30 May 2016.

Johan lectured at the University of Pretoria (Department of Agricultural Economics) where he held several positions, including vice-chancellor and principal from 1997 to July 2001, when he joined Santam Limited, as chief executive officer. He was group chief executive officer of Sanlam Limited from 2003 until 2016 and remains a non-executive director, also serving on the boards of Sanlam Life Insurance Limited and Santam Limited. Johan is also chairman of ASISA, serves as a Council Member of the University of Pretoria and is chairman of the Vumelana Advisory Fund.

He has also consulted and served as part-time lecturer to several universities and organisations, including Michigan State University, USAID and the Agricultural and Natural Resources Department,

World Bank (Washington DC) and as member to a number of governmental committees and other associations. He is the recipient of numerous awards, including the Sunday Times Business Leader of the Year award in 2014 and the South African AABLA award as Business Leader of the Year in 2015.

Jacob Daniel Wiese (35)
BA (Stellenbosch), MA (Stellenbosch),
International Economics & Management
(Universita Commerciale Luigi Bocconi, Italy),
LLB (UCT)

Jacob was appointed as a supervisory board director of Steinhoff N.V. on 30 May 2016.

After completing his LLB at UCT in 2008 and his pupillage at the Cape Bar, Jacob was admitted as an advocate of the High Court of South Africa in 2009. He joined the investment committee of the Titan Group in 2010. Jacob is as an independent non-executive director of Fairvest Property Holdings Limited and serves on the boards of various publicly listed companies and is also an alternate and/or non-executive director of Shoprite Holdings, Pepkor Holdings, Invicta Holdings and Tradehold. Jacob is also extensively involved in the management of Lourensford Wine Estate.

The supervisory board is comprised of persons collectively possessing, via their interests in commercial and regulatory sectors, a broad knowledge of international business and governance requirements and trends. Messrs CE Daun and BE Steinhoff are of German nationality, as is Ms A Kruger-Steinhoff, and Mr TLJ Guibert is a French national.

Note: Messrs DC Brink, JF Mouton and PDJ van den Bosch, who were appointed to the supervisory board on 1 December 2015, retired from the board at the extraordinary general meeting held on 30 May 2016. Dr J van Zyl and Adv JD Wiese were appointed to the supervisory board on that date. The supervisory board has appointed Dr CH Wiese as chairman of the supervisory board with Dr D Konar appointed as deputy chairman and lead independent director.

The above supervisory directors are subject to reappointment for a maximum of three terms of four years and as specified in the supervisory board rotation schedule.

A supervisory director may be suspended or removed by the general meeting at any time. Suspension or removal shall be made upon a proposal made by

the supervisory board with due observance of the provisions of the company's articles of association.

Supervisory directors are appointed by the general meeting upon a non-binding nomination made by the supervisory board and in compliance with the provisions of the company's articles of association. The chairman and deputy chairman are supervisory directors elected by the supervisory board for a term as determined by that board.

A supervisory director who has reached the age of seventy one can only be appointed or reappointed for terms of one year each time, subject to a maximum number of terms that exceeds twelve years in the aggregate.

After their appointment, all supervisory directors follow an induction programme, tailored to their specific needs, covering inter alia any specific aspects that are unique to the company and its activities.

Remuneration of supervisory directors

The authority to establish the remuneration for supervisory directors is vested in the general meeting.

Supervisory directors and members of the supervisory board's subcommittees receive an annual fee for their board and committee participation. The fee consists of a base fee and retainer and, where applicable, committee membership fees, together with all reasonable travel and accommodation expenses to attend supervisory board and committee meetings. In order to avoid a conflict of interest, the human resources and remuneration committee takes no part in the determination of fees for the supervisory directors or committee members, or in the recommendation of such fees for approval at the general meeting. These fees are simply reviewed and recommended by the supervisory board, taking due cognisance of fees paid to supervisory directors of comparable companies and the necessity to attract and retain high-calibre directors possessing the requisite skills and experience. The independent supervisory directors do not have service contracts and are not members of the group's retirement funding schemes. There are no shares or options under the group's share incentive schemes held by supervisory directors nor have any personal loans, guarantees or the like being granted by the company to any of the supervisory directors.

The fees paid to supervisory board directors for the period under review are detailed in the annual financial statements in note 31.1.

Conflict of interest

Similar to the rules that apply to managing directors as described above, Dutch law also provides that the supervisory directors may not participate in the discussions and decision-making by the supervisory board if he or she has a personal conflict of interest conflicting with the interests of the company and the business connected with it.

Any existing or potential personal conflicts of interest must be reported immediately to the chairman and the other supervisory directors and all relevant information must be provided.

Where the chairman has an existing or potential conflict of interest, this must be immediately reported to the deputy chairman and the other supervisory directors and all relevant information must be provided.

If, as a result of any such personal conflict of interest, no resolution of the supervisory board can be adopted, the resolution shall be put to the general meeting for adoption by the general meeting.

All transactions in which there are conflicts of interest with the supervisory directors will be agreed on terms that are customary in the sector concerned and disclosed in the annual report. Resolutions to enter into transactions in which there are conflicts of interest with supervisory director(s) that are of material significance to the company and/or the relevant supervisory director(s) require the approval of the supervisory board.

Save as reported on elsewhere in this report, during the period under review no conflicts of interest were brought to the attention of the supervisory board. The best practice provisions III.6.1 to III.6.3 of the Dutch Corporate Governance Code have been complied with and best practice provision III.6.4 has been observed.

Supervisory board meetings and attendance

The supervisory board meets at least four times a year or more often, should circumstances require. The following tables indicate the attendance by each director at meetings held during the period under review.

Supervisory board attendees	8 September 2015	1 December 2015	29 February 2016	31 May 2016	5 September 2016
SF Booyesen	✓	✓	✓	✓	✓
DC Brink	✓	✓	✓	Retired 30 May 2016	–
CE Daun	✓	✓	✓	Apology	✓
TLJ Guibert	Apology	Apology	✓	✓	Apology
D Konar	✓	✓	✓	✓	✓
A Kruger-Steinhoff	✓	✓	✓	✓	✓
MT Lategan	✓	✓	✓	✓	✓
JF Mouton	✓	✓	✓	Retired 30 May 2016	–
HJ Sonn	✓	Apology	✓	Apology	✓
BE Steinhoff	✓	✓	✓	✓	✓
J van Zyl ¹				✓	✓
PDJ van den Bosch	✓	✓	✓	Retired 30 May 2016	–
CH Wiese	✓	✓	✓	✓	✓
JD Wiese ²				✓	✓

¹ Appointed 30 May 2016

² Appointed 30 May 2016

Standing committees of the supervisory board

The supervisory board has established the following standing committees, each of which plays a preparatory and/or advisory role to the supervisory board. The supervisory board has adopted regulations for each committee, which consists of supervisory directors. The committee members report their findings to the supervisory board, which remains collectively responsible for all decisions prepared and/or taken by these committees. The regulations for these committees, as adopted by the supervisory board, which are complementary to the provisions regarding the supervisory board and its committees as contained in applicable laws and regulations and the articles of association of the company, are available on the company’s website at www.steinhoffinternational.com.

The company secretary acts as secretary to the supervisory board’s standing committees.

Audit and risk committee

The audit and risk committee consists of at least three members, all of whom must be supervisory directors who are independent. The members of the audit and risk committee are appointed and replaced by the supervisory board, which elects the committee chairman from one of its members. At least one (1) member of the audit and risk committee shall have relevant knowledge and experience of financial administration and accounting for listed companies or other large companies. The committee may not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.

Committee members are kept up to date with the developments affecting the skill set required for committee membership. The committee and/or individual members are permitted to consult with specialists in any related field, subject to supervisory board approval.

Audit and risk committee members attend divisional audit and risk committee meetings. The audit and risk committee, from time to time, invites members of divisional audit and risk committees to attend meetings of the Steinhoff audit and risk committee, as invitees.

The chairman of the audit and risk committee participates in setting and agreeing the agenda for meetings of the committee and attends general meetings.

Members	Composition	Meetings
SF Booyesen (chairman) DC Brink (retired 30 May 2016) MT Lategan D Konar (appointed 31 May 2016)	Comprises three members, all of whom are independent supervisory directors, under the chairmanship of the independent supervisory director, SF Booyesen.	Meets formally at least four times per annum, with the external auditor and the chief internal auditor(s) attending the meetings. Attendance: All members of the committee attended all meetings held on 4 September 2015, 30 November 2015, 26 February 2016, 27 May 2016 and 26 August 2016.

Responsibilities

The audit and risk committee is responsible for advising the supervisory board and, where applicable, the management board, as well as for preparing and facilitating the decision-making of the supervisory board in relation to the following responsibilities:

- the operation of internal risk management and control systems;
- the provision of financial information by the company;
- compliance with the recommendations and observations of internal and external auditors;
- the role and functioning of the internal auditor;
- the policy of the company on tax planning;
- relations with the external auditor;
- the financing of the company; and
- the applications of information and communication technology.

In carrying out its responsibilities, the committee acts as follows:

- Ensures integrity of financial reporting, including the published annual accounts, summarised integrated information and interim results, and for the audit process.
- Ensures that risk management and internal control systems are maintained and:
 - considers significant risk and control issues arising from the chief financial officer's report on financial and accounting frameworks, including tax-related matters;
 - assists the management and supervisory boards in reviewing risk management processes and significant risks facing the group;
 - sets the group's risk strategy in consultation with the management board and senior management, making use of generally recognised risk management and internal control frameworks; and monitors and reports on key performance indicators and risks.
- Reviews and monitors capital expenditure throughout the group for adequate control, monitoring and reporting.
- Oversees relations with external auditor, reviews the effectiveness of the internal audit function and cooperation between parties and approves the internal audit plan.
- Recommends the external auditor's appointment and the responsible lead partner of the audit firm to the supervisory board, for nomination to the general meeting, and approves the terms of engagement, fees, scope of work process of annual audit, applicable levels of materiality, reviews the independence of the external auditor and the services it provides, where necessary making proposals to the supervisory board on the policy applied in respect of the independence of the internal auditor and possible/potential conflicts of interest between the external auditor and the company.
- Ensures overall compliance with corporate governance principles regarding external audit functions and for monitoring the internal control and audit function, which functions report to and have unrestricted access to the committee.
- Facilitates and promotes communication between the management board, the external auditors and the chief internal auditors and receives and deals with any complaints relating either to the accounting practices and internal audit of the group, or to the content or auditing of its financial statements, or any other related matters.
- Reviews and recommends the company's annual reports, including reports on sustainability issues for approval by the board. Oversees all group information and communication technology risks.
- Discusses with the management board the company's major financial risk exposures and the steps taken to monitor and control such exposures.
- Prepares meetings of the supervisory board where the management report, the annual accounts and the quarterly or half-yearly figures of the company are discussed.

Human resources and remuneration committee

The human resources and remuneration committee shall consist of at least three members, all of whom must be supervisory directors who are independent. The members of the committee are appointed and replaced by the supervisory board, which elects the committee chairman from one of its members. The committee may not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.

Committee members are kept up to date with the developments affecting the skill set required for committee membership. The committee and/or individual members are permitted to consult with specialists in any related field, subject to supervisory board approval.

Members	Composition	Meetings
DC Brink (chairman, retired 30 May 2016)	Comprises three independent supervisory directors under the chairmanship of the independent non-executive supervisory director, MT Lategan.	Meets at least twice a year with ad hoc meetings convened as and when required. Two meetings were held during the period under review.
D Konar		
MT Lategan (appointed chairman on 31 May 2016)	Divisional remuneration committees have been established to deal with management remuneration at all operating divisions. These committees are comprised of the regional chief executive, the divisional managing director and the group's human resource executive. The divisional committees report directly to the human resources and remuneration committee.	Attendance The members of the committee attended all meetings held on 29 September 2015, 30 May 2016 and 26 September 2016. Mr DC Brink retired from this committee effective 30 May 2016, at which meeting D Konar acted as chairman.
SF Booyesen (appointed 31 May 2016)		

Responsibilities

The committee is responsible for advising the supervisory board and, where applicable, the management board, as well as preparing and facilitating the decision-making of the relevant boards. The committee's duties include the following:

- Drafting proposals to the supervisory board for the remuneration policy for submission to the general meeting for adoption.
- Drafting a proposal for a framework regarding the remuneration of senior executives in the form of shares, or rights to subscribe for shares, for submission by the supervisory board to the general meeting for approval.
- Drafting proposals for the remuneration of the individual managing directors and members of the executive committee or changes or additions thereto, for submission to the supervisory board.
- Preparation of the remuneration report in compliance with the committee's regulations.
- Appointment of trustees and compliance officer with regard to the company's share-based incentive schemes and the approval of amendments thereto after prior consultation with the general meeting.

- Approving the appointments, promotions and terms of employment, other than remuneration of managing directors and members of the executive committee.
- Reviewing any reports of unethical behaviour by senior managers in the group.
- Annually reviewing the company's code of conduct and proposing amendments to the management board.
- Annually evaluating the performance of the managing directors and the supervisory directors, including performance as a committee member, reporting the outcomes of the evaluations to the supervisory board, together with an assessment of the functioning of the human resources and remuneration committee.
- Annually reviewing the regulations of the company's significant subsidiaries regarding remuneration and the committee's compliance with such regulations.
- Supervising the policy of the management board on the selection criteria and appointment procedures for the senior management, other than managing directors, who report to the management board.

Nomination committee

The chairman of the supervisory board is appointed by the supervisory board to chair the nomination committee.

Members	Composition	Meetings
CH Wiese (appointed as chairman 31 May 2016)	Comprises three independent supervisory directors, under the chairmanship of CH Wiese. Meets at least once a year, or as required.	Meetings are convened as required.
D Konar (acted as chairman until 30 May 2016)		
CE Daun		

Responsibilities

The nomination committee advises the supervisory board on its duties regarding the selection and appointment of managing directors and supervisory directors and prepares the decision-making of the supervisory board in respect of the matters which fall within the committee's responsibilities. The duties of the committee include the following:

- Preparing the selection criteria and appointment procedures for managing directors and supervisory directors and proposing the profile for the supervisory board.
- Annual assessment of the scope and composition of the management board, the supervisory board and its committees and the functioning of the individual directors.
- Proposing appointments and reappointments and the making of non-binding nominations.

Directors' access to information

All managing directors and supervisory directors have unrestricted access to management, including the company secretariat, the legal department and the group risk manager/compliance manager. They also have access to information required to enable them to carry out their duties and responsibilities fully and effectively. Independent professional advice is available in appropriate circumstances and at the company's expense. During the year under review, none of the directors sought independent external advice through the company.

Steinhoff N.V. assists with the continuing professional development of its directors and provides briefings on topics that may influence the group's businesses and strategies. Comprehensive formal induction programmes, including risk governance, are in place for new directors.

Discharge from liability

Resolutions to approve the policy of the management board and to discharge the management board and the management directors from liability, together with the approval of the supervision exercised by the supervisory board and the discharge of the supervisory board and the supervisory directors from liability shall be put to the general meeting and voted on separately.

Diversity

The company remains mindful of its obligations to ensure appropriate gender representation at all levels of its operations and, across the group, programmes and initiatives have been put in place to facilitate this and, where appropriate, targets have been set. The implementation rate of these programmes and initiatives are being actively driven and this is reported on at divisional board level and supervisory board level.

Company secretary

The Steinhoff N.V. company secretary is appointed and removed by the management board, subject to the approval of the supervisory board.

All directors have access to the advice and services of the company secretary, supported by the legal department. The company secretary is responsible for ensuring compliance with the Dutch Corporate Governance Code.

The company secretary is a juristic person, Steinhoff Secretarial Services Proprietary Limited, a South African registered company within the Steinhoff N.V. group of companies. The supervisory board

has satisfied itself that the directors of this company are appropriately qualified and competent to fulfil this function and that the individual directors and the board of the secretary have performed, and continue to perform, the role of gatekeeper of good governance in the company.

The company secretary has at its disposal, directors who possess a wide variety of long-standing experience and professional skills.

The board of directors of Steinhoff Secretarial Services Proprietary Limited is comprised of:

MC Dalrymple	BA BProc: Practising attorney
MAHEY Girard	BA LLB: Practising attorney (RSA and UK)
CT Grové	BCom SEP
SJ Grobler	BComm (Hons) (Economics) LLB: Practising attorney, Conveyancer and Notary Public
CA Morrison	BBA (Business Admin)
JC Nel	BLC LLB LLM: Non-practising attorney
JMWR Pieterse	BA (Linguistics) BCom (Law)
JV Radnay	FCIS H Dip (Company Law)
P Robinson	CA(SA) H Dip (International Tax)

The relationship between the shareholder of the company secretary, which is a group subsidiary, and the company secretary has been reviewed by the supervisory board and the supervisory board is satisfied that there have been no circumstances which have affected or could affect the arm's length relationship between the company and the company secretary.

Evaluations

An annual self-evaluation process to review the effectiveness of the management board and the supervisory board is in place. The supervisory board chairman is required to assess the performance of the individual supervisory board members, and the supervisory board members are required to assess the performance of the chairman of the supervisory board. The supervisory board is satisfied with the performance of its individual board members, the chairman, the board and its committees. All related board and committee minutes and approvals are made available to the group's external auditor.

Shares and shareholders' rights

General meetings

Steinhoff N.V. shareholders exercise their rights through annual and extraordinary general meetings, held in the Netherlands and conducted in the English language. The company is required to convene an annual general meeting of shareholders in the Netherlands each year, no later than six months after the end of the company's financial year, which was changed on 30 May 2016 to 30 September. Additional general meetings may be convened at any time by the supervisory board, the management board, or by one or more shareholders, representing at least 10% of the issued share capital.

Within three months of it becoming apparent to the management board that the equity of the company has decreased to an amount equal to or lower than one half of the paid-up portion of the company's capital, a general meeting will be held to discuss any requisite measures.

The convening of a general meeting must be published through an announcement by electronic means. The notice must state the business to be discussed, the time and venue of the meeting, the record date, the manner in which persons entitled to attend the general meeting may register and exercise their rights, the time by which registration for the meeting must have occurred as well as the place where meeting documents may be obtained. The notice must be given by at least the number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

The agenda must include, *inter alia*, discussion of the annual report, adoption of the annual accounts, discussion on any changes in the company's corporate governance structure, items included by the management board, the supervisory board and shareholders so entitled under Dutch law, together with the allocation of profit, should this be at the disposal of the general meeting.

The agenda for the annual general meeting of Shareholders must contain certain matters as specified in Steinhoff N.V.'s articles of association and under Dutch law, including the adoption of the annual accounts.

Shareholders are entitled to propose items for the agenda of the general meeting provided that they hold at least 3% of the issued share capital, or the shares that they hold represent a market value of at least 3%. Proposals for agenda items for the general meeting must be submitted at least 60 days prior to the date of the meeting.

Adoption of resolutions

Subject to certain exceptions provided by Dutch law or the company's articles of association, resolutions of a general meeting are passed by a simple majority of the votes cast without a quorum being required.

Management board resolutions on a major change in the identity or character of the company or the group shall be subject to the approval of the general meeting.

Resolutions for approval or authorisation to be passed by the general meeting shall be explained in writing.

Voting rights

Each common share entitles its holder to cast one vote. Dutch law prescribes a record date to be set 28 days prior to the date of the general meeting to determine whether a person may attend and exercise the rights relating to the general meeting. Shareholders registered at that date are entitled to attend and exercise their votes.

Neither Steinhoff N.V. nor any of its subsidiaries may cast a vote on any share they hold in the company. Such shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at any general meeting.

Each ordinary share confers the right to cast 50 votes in the general meeting and each preference share, when issued, shall confer the right to cast one vote in the general meeting, provided that, at meetings of holders of shares of a particular class, each share in that class will confer the right to cast one vote at such meeting of that particular class. As at the date of this report, no preference shares are in issue.

Distributions

Distribution of profit shall be made after adoption of the annual accounts, subject to compliance with Dutch law and the determination of the allocation of profits by the general meeting, on recommendation by the management board and with the approval of the supervisory board. The management board may resolve, with the approval of the supervisory board, that the profit realised during a financial year will be fully or partially appropriated to increase and/or from reserves. Proposals for the distribution of profit are shown on the general meeting agenda as items for separate consideration.

Dividends on preference shares, as and when such shares are issued, will be paid in accordance with the relevant provisions contained in the company's articles of association.

Issuance of additional shares

Under the company's articles of association, the company may resolve to issue shares or grant rights to subscribe for shares. The general meeting may, upon a proposal of the management board, approved by the supervisory board, issue shares or grant rights to subscribe for shares or designate the management board as the body authorised to resolve upon a specified issue of shares or grant of rights to subscribe for shares pursuant to the articles of association and Dutch law. Such authority shall be valid for periods of up to five years, renewable by resolution of the general meeting.

Major shareholders

CH Wiese	23.10%
Public Investment Corporation	8.48%
Coronation Fund Managers Limited	5.24%
BE Steinhoff	4.60%
Black Rock Investment Management	4.08%

Takeover bids

If a takeover bid for the company's shares is received or is being prepared, the management board shall ensure timeously that the supervisory board is closely involved in the process and that appropriate steps are taken to protect the confidentiality of price-sensitive information and to comply with all legal and regulatory obligations in respect of announcements.

Should a takeover bid by the company be announced or made, if a competing bidder requests the management board to make available for inspection the company's records, this shall be promptly discussed by the management board with the supervisory board.

Remuneration: Share incentive schemes

Full details of the group's remuneration policy, together with details of the group's share incentive schemes, are available in the remuneration report, which has been published on or about the date of this report and is available on the company's website at www.steinhoffinternational.com.

Also see remuneration report on page 64

Financial control and reporting

The supervisory board is responsible for ensuring that the group companies maintain adequate records and for reasonable, accurate, timely and reliable reporting on the financial position of the group and on the results of its activities. To assist the supervisory board in effectively discharging this duty, the audit and risk committee has been established and financial reporting procedures have been put in place at all levels across the group.

Divisional management reporting disciplines include defined parameters for the reporting of litigation matters, compliance with legislation and any penalties incurred, risk analyses (including operational, strategic and information technology risks).

External audit

During the period under review, Deloitte Accountants B.V. was appointed as auditor of the group.

The audit and risk committee reviewed and confirmed the independence of Deloitte Accountants B.V. and has recommended its reappointment as auditor of the group. This recommendation has been endorsed by the supervisory board. Deloitte Accountants B.V. has confirmed that, during the period under review, there were no matters which could be held to have compromised, or which could compromise, its independence.

The external auditor report on its audit findings to the various divisional audit and risk management committees and to the audit and risk committee and are afforded unrestricted access to the chairman of the audit and risk committee.

The group has adopted a policy to regulate the use of the external auditor for non-audit services, including consulting services.

Stakeholder communications and investor relations

The company believes that timeous, balanced and understandable communication of the group's activities to stakeholders is essential, regardless of any positive or negative impact. The interests and concerns of stakeholders are addressed, wherever possible, by communicating material information as it becomes known. The management board or, where appropriate, the supervisory board shall, in compliance with all prevailing legislation and regulations, provide all shareholders and other parties in the financial markets with equal and simultaneous information that may affect the company's share price.

The monitoring of relationships between stakeholders and the group is conducted at divisional level and is reported at group level.

Mariza Nel is responsible for stakeholder and investor communications and relations for Steinhoff International. (email: investors@steinhoffinternational.com).

Further information on stakeholder communication is available on the company's website at www.steinhoffinternational.com.

Ethics

Steinhoff N.V. has adopted a code of ethics, which is reviewed regularly, committing the group, its directors and its employees to the highest standards of conduct. This code, which is available on the company's website, has been endorsed by the supervisory directors and a formal ethics programme has been rolled out across the group.

Compliance with the code is monitored by divisional management and any infringements are dealt with at that level. Any material contraventions of the code are reported at divisional board level and are escalated to the supervisory board. Alleged irregularities concerning the functioning of the management board members may be reported to the chairman of the supervisory board. During the period under review, there were no material incidences of non-compliance with the code of ethics that were brought to the attention of the supervisory board.

A confidential whistle-blowing facility, utilising dedicated hotlines for the reporting of suspected frauds or irregularities, remains in place across the group. Reports are reviewed by internal audit.

The arrangements and contact details for the use of these facilities are available on the company's website at www.steinhoffinternational.com.

Insider trading

The company has adopted a policy governing insider trading, which is strictly enforced. A copy of the policy is available on the company's website at www.steinhoffinternational.com.

Going concern statement

The directors report that, after making enquiries, they have a reasonable expectation that the group has adequate resources to continue its operational existence for the foreseeable future. For this reason, they continued to adopt the going concern basis in preparing the financial statements for the financial period ended 30 September 2016.

Corporate governance – Management

Management board



Markus Jooste (55)
BAcc, CA(SA)
Group chief executive officer



Danie van der Merwe (58)
BCom, LLB
Group chief operating officer



Ben la Grange (42)
BCom (Law), CA(SA)
Group chief financial officer

Supervisory board



Steve Booysen (54)
BCompt (Hons)
(Accounting), MCompt,
DCom (Accounting),
CA(SA)



Claas Daan (73)
BAcc, CA



Thierry Guibert (45)
MBA (FR)



Len Konar (62)
BCom, MAS, DCom,
CA(SA), CRMA
Deputy chairman



Angela Krüger-Steinhoff (45)
BCom (Economic Science)



Theunie Lategan (59)
BAcc (Hons), MCompt,
DCom (Accounting),
CA(SA), Advanced
Diploma Banking Law



Heather Sonn (44)
BA (Political Science), MSc
(International Business)



Bruno Steinhoff (79)



Johan van Zyl (60)
BSc (Agricultural Science),
BSc (Hons) (Agric) (cum
laude), MSc (Agric) (cum
laude), DSc (Agric), PhD
(Economics)



Christo Wiese (75)
BA, LLB, DCom (hc)
Chairman



Jacob Wiese (35)
BA, MA (International
Economics & Management)
(Italy), LLB

Executive management



Johann du Plessis
Executive: Legal services



Pieter Erasmus
Group managing director:
Pepkor



Piet Ferreira
Executive: Mergers and
acquisitions



Peter Griffiths
Chief executive officer:
JD Group



Stehan Grobler
Executive: Group treasury
and financing activities



Jo Grövé
Executive deputy
chairman: KAP Industrial
Holdings Limited



Frikkie Nel
Finance executive



Mariza Nel
Executive: Corporate
services



Alexandre Nodale
Chief executive officer:
Conforama



Hein Odendaal
Executive: Group audit



Peter Pohlmann
Chairman, supervisory
board: ERM



Dirk Schreiber
Chief financial officer:
Steinhoff Europe



Sean Summers
Chief executive officer:
UK Retail