



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

Notice to Shareholders

22 December 2011

Dear shareholder

NOTICE OF SUBMISSION OF PROPOSED RESOLUTION TO THE SHAREHOLDERS OF STEINHOFF INTERNATIONAL HOLDINGS LIMITED ("COMPANY" OR "STEINHOFF") IN TERMS OF SECTION 41 OF THE COMPANIES ACT, NO 71 OF 2008 ("COMPANIES ACT") PROPOSED TO BE ADOPTED IN TERMS OF SECTION 60 OF THE COMPANIES ACT

- 1 The board of directors of Steinhoff announced on 15 December 2011 that agreement had been reached for Steinhoff to acquire a 20% shareholding in PSG Group Limited ("**PSG**"), subject to the fulfilment of certain conditions precedent. The PSG shares will be acquired by Steinhoff from certain shareholders of PSG, being Dr CH Wiese (through entities controlled and/or associated to him), Mayfair Speculators (Proprietary) Limited ("**Mayfair**") (indirectly associated with Mr M Jooste) and Thembeke Capital Limited (collectively the "**Vendors**") and comprise approximately 36.9 million shares in PSG ("**Transaction**").
- 2 The specific terms of the Transaction are that Steinhoff will acquire 36 915 781 PSG shares from the Vendors for a total consideration of R1 617.5 million, to be settled as follows -
 - 2.1 3 500 000 PSG shares for cash of R160.6 million, or R45.89 per PSG share, being the 30-day volume weighted average traded price ("**VWAP**") per PSG share up to and including 11 October 2011; and
 - 2.2 33 415 781 PSG shares for a consideration of R1 456.9 million, or R43.60 per PSG share, to be settled by the issue to the respective Vendors of 64 068 955 Steinhoff shares, credited as fully paid at R22.74 per share. The purchase price per PSG share has been agreed on the basis of the 30-day VWAP up to 11 October 2011, less a discount of 5%, and the issue price per Steinhoff share on the basis of its 30-day VWAP up to that date.

- 3 Although the board acknowledged that Mr M Jooste, the group CEO, and Mayfair may not be related or inter-related in terms of section 2 of the Companies Act, the board resolved that the issue to Mayfair of 31 635 884 Steinhoff shares must in any event be subjected to the passing of a special resolution by shareholders of the Company in terms of section 41 of the Companies Act. A copy of the resolution is attached hereto marked Annexure 1 ("**Special Resolution**").
- 4 The board has further resolved to proceed with the implementation of the Transaction with each individual Vendor except for the issue of the Steinhoff shares to Mayfair which will be dependent on the approval referred to above.
- 5 Section 65(2) of the Companies Act provides that the board may propose any resolution to be considered by shareholders, and may determine whether that resolution will be considered at a meeting, or by vote or written consent in terms of section 60 of the Companies Act. The board of directors of the Company has determined by resolution that the Special Resolution be considered by the shareholders of the Company by written consent in terms of section 60 of the Companies Act.
- 6 Section 60 of the Companies Act provides that a resolution that could be voted on at a shareholders meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution, and be voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution, within 20 (twenty) business days after the resolution was submitted to them (see paragraph 14 below).
- 7 Section 60(2) of the Companies Act further provides that a resolution contemplated in section 60(1) of the Companies Act will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted shareholders meeting, and, if adopted, such resolution will have the same effect as if it had been approved by voting at a meeting.
- 8 Shareholders who have dematerialised their shares (other than own-name dematerialised shareholders) in terms of the Securities Services Act, No 36 of 2004 should advise their Central Securities Depository Participant ("**CSDP**") or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares (other than own-name dematerialised shareholders) must not return the form of written consent set out in Annexure 2 ("**Written Consent**") to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action in the form of the written instruction set out in Annexure 3.
- 9 Certificated shareholders and own-name dematerialised shareholders may indicate, by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided, on the Written Consent how they wish to cast their votes in relation to the Special Resolution. Please return a copy of the completed and signed Written Consent to Computershare Investor Services Proprietary Limited (the transfer secretaries of the Company) within 20 (twenty) business days of the date of receipt hereof to any one of the following (for attention Annatjie Visser) –
 - 9.1 physical address: Ground Floor, 70 Marshall Street, Johannesburg, 2001;
 - 9.2 postal address: PO Box 61051, Marchalltown, 2107;
 - 9.3 fax: +27 11 688 5248; and/or
 - 9.4 email: annatjie.visser@computershare.co.za.
- 10 Where a shareholder has received this letter attaching the Special Resolution by means of fax such shareholder is deemed to have received these documents on the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.

- 11 Where a shareholder has received this letter attaching the Special Resolution by means of electronic mail such shareholder is deemed to have received these documents on the date and at the time recorded by the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time.
- 12 Where a shareholder has received this letter attaching the Special Resolution by means of registered post such shareholder is deemed to have received these documents on the 7th (seventh) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.
- 13 Where a shareholder has received this letter attaching the Special Resolution by hand, in the case of a natural person, or in the case of a company or body corporate, by hand to a responsible employee, at its registered office or its principal place of business within the Republic of South Africa, then such shareholder is deemed to have received these documents on the date and at the time recorded on the receipt for delivery, unless there is conclusive evidence that it was delivered on a different date or at a different time.
- 14 The record date for determining which shareholders are entitled to receive this notice of submission of proposed special resolution is Monday 19 December 2011 (last date to trade Friday 9 December 2011).
- 15 The directors of the Company have resolved that the record date for determining which shareholders are entitled to vote on the Special Resolution in terms of the Written Consent, shall be 23 December 2011 (last date to trade 15 December 2011).
- 16 This notice will be posted to those shareholders who are entitled to receive this notice by registered post on Thursday 22 December 2011.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a vertical line and a diagonal stroke.

For: Steinhoff International Holdings Limited:
Per: The Company Secretary
Steinhoff Africa Secretarial Services Proprietary Limited
December 2011

STEINHOFF INTERNATIONAL HOLDINGS LIMITED

(Registration Number: 1998/003951/06)
Incorporated in the Republic of South Africa
("Company")

**SPECIAL RESOLUTION OF THE SHAREHOLDERS OF THE COMPANY ADOPTED IN
TERMS OF SECTION 60(1) OF THE COMPANIES ACT,
NO 71 OF 2008 ("COMPANIES ACT")**

RESOLVED THAT the issue by the Company to Mayfair Speculators (Proprietary) Limited, which is indirectly associated to Mr M Jooste, a director of the Company, of 31,635,884 (thirty one million six hundred and thirty five thousand eight hundred and eighty four) ordinary shares in the Company at 2,274 (two thousand two hundred and seventy four) cents per share, in exchange for 16,500,000 (sixteen million five hundred thousand) ordinary shares in PSG Group Limited valued at 4,360 (four thousand three hundred and sixty) cents per share, be and is hereby approved by way of a special resolution in terms of section 41 of the Companies Act.

The percentage of voting rights required for the above special resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.

STEINHOFF INTERNATIONAL HOLDINGS LIMITED

(Registration Number: 1998/003951/06)
 Incorporated in the Republic of South Africa
 ("Company")

**FORM OF WRITTEN CONSENT IN TERMS OF SECTION 60 OF THE
 COMPANIES ACT, NO 71 of 2008 ("COMPANIES ACT")**

**FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME
 DEMATERIALISED SHAREHOLDERS IN TERMS OF SECTION 60 OF THE
 COMPANIES ACT**

Shareholders who have dematerialised their shares, other than own-name dematerialised shareholders, with a CSDP or broker should advise their CSDP or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Shareholders, other than own-name dematerialised shareholders who have dematerialised their shares must **not** return this form of written consent to the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited. Their instructions must be sent to their CSDP or broker for action.

I/We (Full name in block
 letters)

of (address)

the holder of all/

shares held in the issued share capital of the Company.

hereby vote as follows -

	For	Against	Abstain
Special Resolution in terms of section 41 of the Companies Act			

Please indicate with an "X" how you wish your votes to be cast.

Signed this

day of

20____

Signature of member(s)

Assisted by me (where applicable)

Note:

- 1 A person signing this written consent in a representative capacity must attach the documentary evidence establishing such authority to this form of written consent, unless previously recorded by the transfer secretaries of the Company.
- 2 The completed and signed written consent and authority (if any) under which it is signed must be either delivered, posted, faxed, and/or emailed to Computershare Investor Services Proprietary Limited (the transfer secretaries of the Company) within 20 (twenty) business days of the date of receipt hereof, to the following –
 - 2.1 physical address: Ground Floor, 70 Marshall Street, Johannesburg, 2001;
 - 2.2 postal address: PO Box 61051, Marshalltown, 2107;
 - 2.3 fax: +27 11 688 5248; and/or
 - 2.4 email: annatjie.visser@computershare.co.za
- 3 A certified or own-name dematerialised shareholder's instructions on the form of written consent must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. A certified or own-name dematerialised shareholder is not obliged to use all the votes exercisable by the shareholder, but the total number of votes cast and in respect of which abstention is recorded may not exceed the total number of votes exercisable by the certified or own-name dematerialised shareholder.

STEINHOFF INTERNATIONAL HOLDINGS LIMITED

(Registration Number: 1998/003951/06)
Incorporated in the Republic of South Africa
("Company")

**FORM OF WRITTEN INSTRUCTION TO THE CSDP / BROKER BY SHAREHOLDERS
HOLDING THEIR SHARES IN DEMATERIALIZED FORM**

FOR USE BY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORMAT

Shareholders who have dematerialised their shares, other than own-name dematerialised shareholders, with a CSDP or broker can instruct their CSDP or broker as to what action they wish to take by completing and sending this form to the CSDP / Broker concerned. This must be done in terms of the agreement entered into between them and their CSDP or broker.

I/We (Full name in block
letters)

of (address)

the holder of all/

shares held in the issued share capital of the Company.

hereby vote as follows -

	For	Against	Abstain
Special Resolution in terms of section 41 of the Companies Act			

Please indicate with an "X" how you wish your votes to be cast.

Signed this

day of

20_____

Signature of member(s)

Assisted by me (where applicable)

Note:

- 1 A dematerialised shareholder's instructions on the form of written instruction must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. A dematerialised shareholder is not obliged to use all the votes exercisable by the shareholder, but the total number of votes cast and in respect of which abstention is recorded may not exceed the total number of votes exercisable by the dematerialised shareholder.
- 2 This form must be sent by the dematerialised shareholder concerned to his or her **CSDP or broker** in terms of the agreement entered into between the dematerialised shareholder and such CSDP or broker, with a copy must be either delivered, posted, faxed, and/or emailed to the Company Secretary within 20 (twenty) business days of the date of receipt hereof, to the following –
 - 2.1 physical address: 28 6th Street, Wynberg, Sandton, 2090;
 - 2.2 postal address: PO Box 1955, Bramley, 2018;
 - 2.3 fax: +27 11 445 3094; and/or
 - 2.4 email: compsec@steinhoffinternational.co.za