

THIRD ADDENDUM TO AND AMENDMENT OF THE PROPOSAL
in terms of section 155(2) of the Companies Act No. 71 of 2008 in respect of

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED

as supported by

STEINHOFF INTERNATIONAL HOLDINGS N.V.

and

STEINHOFF INVESTMENT HOLDINGS LIMITED

and

STEINHOFF AFRICA HOLDINGS PROPRIETARY LIMITED

and

AINSLEY HOLDINGS PROPRIETARY LIMITED

11 August 2021

WHEREAS:

- A. Reference is made to the Proposal as amended by way of the Addendum to and Amendment of the Proposal dated 19 January 2021, and as further amended by way of the Second Addendum to and Amendment of the Proposal dated 15 February 2021.
- B. Clause 40 of the Proposal provides that SIHPL may amend, modify or vary any provision of the Proposal provided that the Amendment is supported by the Scheme Creditors in terms of section 155(6) of the Companies Act, if the amendment will prejudice Scheme Creditors, or, without the support of Scheme Creditors if the amendment will not prejudice Scheme Creditors and if SIHPL acts reasonably. Pursuant to clause 40 of the Proposal, SIHPL wishes to amend certain of the provisions of the Proposal on the latter basis.
- C. This document constitutes an amendment to the Proposal as contemplated in clause 40 thereof (the "**Third Addendum**"). Capitalised terms shall have the meaning assigned to them in the Proposal unless otherwise indicated in this Third Addendum.
- D. This Third Addendum forms part of and serves to amend the Proposal in the manner set out below with effect from the date of it being made available to Scheme Creditors, in the manner contemplated in the Court Order dated 25 January 2021 granted under case number 16337/2020 in the Western Cape High Court.
- E. Since the Second Addendum was issued, there has been a series of significant developments leading to the variation of the terms of the Steinhoff Group Settlement as announced by SIHNV on 16 July 2021 and 11 August 2021, which are summarised in clause 1 of the Proposal as amended by this Third Addendum. These developments require SIHPL to make the amendments to the Proposal as set out in Section 1 of this Third Addendum.

1 Amendments to the Proposal

- 1.1 The body of the Proposal will be amended as shown in the comparison included at Schedule 1 to this Third Addendum, in which wording struck through and in red (or green) text will be deleted and wording shown underlined and in blue (or green) text will be added.
- 1.2 With respect to the annexures to the Proposal:
 - 1.2.1 Annexure A (*Definitions*) is amended as shown in the comparison included at Schedule 1 to this Third Addendum, in which wording struck through and in red (or green) text will be deleted and wording shown underlined and in blue (or green) will be added;
 - 1.2.2 Annexure B (*SIHPL Assets*) is deleted and replaced with a revised Annexure B (*SIHPL Assets*) as included in Schedule 2 to this Third Addendum;
 - 1.2.3 Annexure C (*SIHPL's Annual Financial Statements for the Year Ended 30 September 2019*) is deleted and replaced with a revised Annexure C (*SIHPL's Annual Financial Statements for the Year Ended 30 September 2020*) as included in Schedule 3 to this Third Addendum;
 - 1.2.4 Annexure D (*Liquidation Comparators*) is deleted and replaced with a revised Annexure D (*Liquidation Comparators*) as included in Schedule 4 to this Third Addendum;
 - 1.2.5 Annexure E (*Projected Balance Sheet for SIHPL and Projected Statement of Income and Expenses for SIHPL for the Ensuing Three Years Following the Proposal Date*)

is deleted and replaced with a revised Annexure E (*Projected Balance Sheet for SIHPL and Projected Statement of Income and Expenses for SIHPL for the Ensuing Three Years Following the Proposal Date*) as included in Schedule 5 to this Third Addendum;

1.2.6 Annexure F (*Distributions to Contractual Claimants (save for the Titan claimants) under this Proposal*) is deleted and replaced with a revised Annexure F (*Distributions to Contractual Claimants under this Proposal*) as included in Schedule 6 to this Third Addendum;

1.2.7 Annexure G (*Claim Forms*) is unchanged;

1.2.8 Annexure H (*SIHPL Filing Instruction*) is deleted and replaced with a revised Annexure H (*SIHPL Filing Instruction*) as included in Schedule 7 to this Third Addendum;

1.2.9 Annexure I (*Overview of Key Obligations Assumed by SIHPL and SIHNV Pursuant to the SSSA*) is amended as shown in the comparison included at Schedule 8 to this Third Addendum, in which wording struck through and in red (or green) text will be deleted and wording shown underlined and in blue (or green) will be added; and

1.2.10 A new Annexure J (*Terms of the S155 Settlement Note*) to the Proposal is included as set out at Schedule 9 to this Third Addendum.

2 Other terms

All other terms of the Proposal remain unchanged.

3 Integral part

This Third Addendum is an integral part of the Proposal with effect from the date of it being made available to Scheme Creditors, in the manner contemplated in the Order of Court dated 21 January 2021 received under case number 16337/2020.

Schedule 1
Amendments to the body of the Proposal and Annexure A (*Definitions*)

~~23 March~~ 11 August 2021

PROPOSAL

in terms of section 155(2) of the Companies Act No. 71 of 2008 in respect of

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED

as supported by

STEINHOFF INTERNATIONAL HOLDINGS N.V.

and

STEINHOFF INVESTMENT HOLDINGS LIMITED

and

STEINHOFF AFRICA HOLDINGS PROPRIETARY LIMITED

and

AINSLEY HOLDINGS PROPRIETARY LIMITED

and

STEINHOFF AT WORK PROPRIETARY LIMITED

Unless defined otherwise, capitalised terms have the meaning given to them in Annexure A to this Proposal.

This Proposal is made by Steinhoff International Holdings Proprietary Limited ("**SIHPL**") pursuant to section 155 of the Companies Act No. 71 of 2008 (the "**Companies Act**") to certain parties falling within the definition of Scheme Creditors ~~in Annexure A to this proposal~~ and comprising what is defined herein as -

- (i) the Contractual Claimants;
- (ii) the Financial Creditors; and
- (iii) the SIHPL Market Purchase Claimants.

This Proposal shall become effective if (i) it is adopted by the statutory required majorities of the Scheme Creditors ~~of SIHPL~~ that participate in the filing and voting procedures; (ii) it is thereafter approved and sanctioned on a final and non-appealable basis ~~by the High Court of South Africa~~ as contemplated in section 155(7) of the Companies Act; and (iii) all of the Suspensive Conditions applicable to the Proposal (including the ~~sanction and effectiveness confirmation~~ of the SoP) are satisfied. ~~Following Upon~~ this Proposal becoming effective, compromises will become effective and distributions will be made to the Scheme Creditors ~~of SIHPL~~ who are entitled thereto in accordance with the provisions of the Proposal. If this Proposal does not become effective, it shall be of no legal force or effect and shall not constitute a compromise of any claims of Scheme Creditors ~~of SIHPL~~.

If you are a Scheme Creditor ~~of SIHPL~~, you are invited, in accordance with the terms of this Proposal, to file a claim and participate in the voting procedures set out herein, as you may be eligible to receive a payment based on this Proposal.

This Proposal shall be put to a vote at a virtual Meeting or Meetings convened for such purpose. The Meeting, or Meetings, as the case may be, shall be presided over by a Chair. ~~The Chair shall be advocate John Newdigate SC, a senior counsel who has been practising at the Cape Bar for 35 years.~~

Please see clause 3 for a ~~chronology and a list of key dates~~ [next steps in relation to this Proposal](#).

This Proposal does not constitute, on any basis whatsoever, an admission of any liability on the part of SIHPL towards any [Scheme Creditor, or any party](#) that has instituted legal proceedings against SIHPL, or [may contemplate instituting](#) ~~intends to institute~~ such legal proceedings or has threatened to institute such legal proceedings or who may assert a claim of whatsoever nature and howsoever arising, in legal proceedings.

The Scheme Creditors are encouraged to contact their respective advisers regarding the filing and voting procedures set out in this Proposal and, in addition, to consult www.SteinhoffSettlement.com for further information.

It is imperative that interested persons carefully read and consider this Proposal, together with the definitions contained in Annexure A to this Proposal, and any other annexures to this Proposal which may be relevant to such interested persons.

As a number of the matters set out in this Proposal are complex and technical in nature, all interested persons are encouraged to consult with an independent legal advisor, accountant, financial advisor or any other professional advisor who may be of assistance to interested persons in respect to the contents of this Proposal.

Nothing contained in this Proposal constitutes, on the part of the Board and/or SIHPL, tax, accounting or legal advice to any person or entity. This Proposal does not constitute a representation, or representations, of any nature whatsoever on the part of the Board and/or SIHPL, save for any representation that is expressly made (and stated as such) in this Proposal.

The Board and/or SIHPL [and/or other Steinhoff Group Companies](#) shall not be responsible for any acts taken by (or omissions arising from) any person or entities' reliance on this Proposal, save for a failure by the Board and/or SIHPL [and/or other Steinhoff Group Companies](#) to give effect to any obligation imposed on it/them in terms of this Proposal.

The PPH Shares (as defined herein) have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under the relevant securities laws of any state or territory or other jurisdiction of the United States and will not be listed on any stock exchange in the United States. ~~The Any~~ PPH Shares ~~are expected to be~~ distributed to shareholders in the United States [are expected to be provided](#) in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Other overseas Scheme Creditors should consult their independent professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to receive the PPH Shares to which they are entitled (if any) under this Proposal. If a Scheme Creditor is in any doubt as to their eligibility to receive PPH Shares (if any) they should contact their independent professional adviser immediately.



TABLE OF CONTENTS

PART A – BACKGROUND.....	<u>1624</u>
PART B – PROPOSALS	<u>3245</u>
7 PART B1 – FINANCIAL CREDITORS.....	<u>3649</u>
14 PART B2 – CONTRACTUAL CLAIMANTS.....	<u>4054</u>
18 PART B3 – SIHPL MARKET PURCHASE CLAIMANTS.....	<u>4761</u>
PART A – IN RESPECT OF CLAIMS SUBMITTED TO THE CLAIMS ADMINISTRATOR PRIOR TO THE VOTING DEADLINE DATE	<u>5875</u>
PART B – IN RESPECT OF CLAIMS SUBMITTED TO THE CLAIMS ADMINISTRATOR AFTER THE VOTING DEADLINE DATE.....	<u>6178</u>
25 PART B4 – COMMON TERMS.....	<u>6987</u>
28 PART B5 – LIQUIDATION COMPARATORS AND BENEFITS OF THIS PROPOSAL	<u>83102</u>
PART C – ASSUMPTIONS AND CONDITIONS.....	<u>99121</u>
3934 SUSPENSION OF LIMITATION PERIODS	<u>103125</u>

ANNEXURES

ANNEXURE A – DEFINITIONS

ANNEXURE B – SIHPL ASSETS

ANNEXURE C – SIHPL'S ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER ~~2019~~2020

ANNEXURE D – LIQUIDATION COMPARATORS

ANNEXURE E – PROJECTED BALANCE SHEET FOR SIHPL AND PROJECTED
STATEMENT OF INCOME AND EXPENSES FOR SIHPL FOR THE ENSUING THREE
YEARS FOLLOWING THE PROPOSAL DATE

ANNEXURE F – DISTRIBUTIONS TO CONTRACTUAL ~~CLAIMANTS (SAVE FOR THE
TITAN CLAIMANTS)~~ UNDER CLAIMANTS UNDER THIS PROPOSAL

ANNEXURE G – CLAIM FORMS

ANNEXURE H – SIHPL FILING INSTRUCTION

ANNEXURE I – OVERVIEW OF KEY OBLIGATIONS ASSUMED BY SIHPL AND SIHNV
PURSUANT TO THE SSSA

[ANNEXURE J – TERMS OF THE S155 SETTLEMENT NOTE](#)



1 INTRODUCTION

The Steinhoff Group

- 1.1 SIHPL is a private company with limited liability registered in accordance with the company laws of the Republic of South Africa. Prior to 7 December 2015, its name was Steinhoff International Holdings Limited.
- 1.2 Steinhoff International Holdings N.V. ("**SIHNV**") is a company registered and incorporated in the Netherlands, with a primary listing on the FSE, and a secondary listing on the JSE. SIHNV- a registered external company in South Africa, is the ultimate holding company of the companies that comprise the Steinhoff Group, including SIHPL.
- 1.3 The Steinhoff Group was founded in 1964. Since then, it has developed into a global retailer that currently owns a range of businesses in Europe, Africa, the United States of America and Australasia operating in the household goods and general merchandise sectors, providing everyday items at affordable prices in more than 30 countries worldwide. As at 30 September 2020, the Steinhoff Group employed approximately 100,000 people worldwide across all Steinhoff Group business activities. The Steinhoff Group's quarterly report for the period ending 30 June 2020 is available on its website at <https://www.steinhoffinternational.com/latest-results.php>.
- 1.4 SIHPL was incorporated on ~~03~~-3 March 1998 under the name Steinhoff International Holdings Limited and became the parent company of the Steinhoff Group that year, when the shareholdings in the European and South African divisions that the Steinhoff Group had built up were transferred to it.
- 1.5 SIHNV was incorporated on 22 June 2015 under the name Genesis International Holdings N.V. ("**Genesis**"). On 18 November 2015 Genesis changed its name to SIHNV. On 7 December 2015, the group structure of the Steinhoff Group was ~~changed~~-altered as follows:
 - 1.5.1 SIHNV acquired the entire share capital of SIHPL (then still known as Steinhoff International Holdings Limited) by means of a Scheme of Arrangement under



South African law, by issuing one ordinary SIHNV share in exchange for each ordinary share in SIHPL.

- 1.5.2 As a result of the Scheme of Arrangement, every shareholder in Steinhoff International Holdings Limited (now SIHPL) ceased to be a shareholder and became a shareholder in SIHNV.
- 1.5.3 Immediately following the exchange, SIHPL's name was changed from Steinhoff International Holdings Limited to its current name, after it had been delisted and converted into a private company.
- 1.6 SIHNV remains the ultimate holding company of SIHPL. All of SIHPL's shares are now held by a direct subsidiary of SIHNV, Steinhoff Investment Holdings Limited ("**SIH**"). SIHPL has no subsidiaries.

Summary of events during and after December 2017

- 1.7 On 5 December 2017, the then chief executive officer of SIHNV, Mr Markus Jooste ("**Mr Jooste**"), resigned. On 5 December 2017, the supervisory board of SIHNV announced that it had mandated Werksmans Attorneys ("**Werksmans**") to engage PricewaterhouseCoopers Advisory Services (Pty) Limited ("**PwC**") to perform an independent investigation into alleged accounting irregularities and/or possible violations of legislation and regulations. Accordingly, the approach to PwC by Werksmans was for the purpose of a forensic investigation being conducted into the events at the Steinhoff Group and for the purpose of Werksmans providing privileged legal advice to the Steinhoff Group in relation to what was (reliably as matters turned out) contemplated litigation and, in the exercise of its mandate, Werksmans engaged PwC for that purpose.
- 1.8 Following the resignation of Mr Jooste, a number of individuals and entities instituted legal proceedings against SIHNV and/or SIHPL and there remains a possibility of further such proceedings (collectively and individually the "**Litigation**"). A summary of the Litigation ~~is described in notes 22 and 35 of the FY2019 consolidated financial statements of the Steinhoff Group available at https://www.steinhoffinternational.com/downloads/2020/STEINHOFF-ANNUAL-REPORT-2019_web.pdf~~ as at 30 September 2020 is described in note 22 of



[Annexure C \(SIHPL's Annual Financial Statements for the year ended 30 September 2020\), which must be read in conjunction with developments which have occurred since that date which have been publicly announced by the Steinhoff Group and those which are recorded herein.](#)

- 1.9 Central to the allegations made in the Litigation are certain events that are or may be alleged to have occurred in relation to alleged mismanagement, accounting irregularities, market manipulation, misstatements, misrepresentation of and otherwise misleading annual accounts and other financial reporting (including the overstatement of profits and asset valuations), including in prospectuses published (such as the 2015 Prospectus) by and/or other public statements made by Steinhoff Group Companies and/or former Steinhoff Group Companies, as well as in relation to allegations of improper fulfilment of duties by any Audit Firms, managing or supervisory directors, officers and/or employees of Steinhoff Group Companies and/or former Steinhoff Group Companies as well as by certain third parties and other matters, whether such allegations are known or unknown at the date of this Proposal (collectively, the "**Events**").
- 1.10 The Events and their disclosure have led or may lead to allegations, whether such allegations are known or unknown at the date hereof, by some of the Scheme Creditors that, among other things, such Scheme Creditors have suffered losses and that SIHPL and/or SIHNV and/or other ~~Steinhoff Group Companies~~ (current and/or former-) Steinhoff Group Companies are liable for such losses, whether directly or indirectly, ~~sustained~~ allegedly incurred by such Scheme Creditors as a result thereof.
- 1.11 The Events and their disclosure have further led or may lead to allegations, whether such allegations are known or unknown at the date hereof, by SIHNV, SIHPL and/or other ~~Steinhoff Group Companies~~ (current and/or former-) Steinhoff Group Companies and various Scheme Creditors that, among other things, ~~certain directors and officers~~ the D&Os did not properly fulfil their duties towards SIHPL and/or SIHNV and/or other ~~Steinhoff Group Companies~~ (current and/or former-) Steinhoff Group Companies and/or certain of the Steinhoff claimants and are liable for losses, whether directly or indirectly, ~~sustained~~ incurred by SIHPL and/or SIHNV and/or other ~~Steinhoff Group Companies~~ (current and/or former-) Steinhoff Group Companies and/or all or certain of the Scheme Creditors.



- 1.12 The Events and their disclosure also have led or may lead to allegations, whether such allegations are known or unknown at the date hereof, by various Scheme Creditors that, among other things:
- 1.12.1 Scheme Creditors relied on:
- 1.12.1.1 the circular published by SIHPL dated 07 August 2015 and/or a prospectus issued by SIHNV dated 19 November 2015 in connection with the Scheme of Arrangement and the subsequent listing of the issued shares of SIHNV on the FSE and JSE (together the "**2015 Prospectus**");
- 1.12.1.2 the audits by Deloitte & Touche South Africa for SIHPL and other Steinhoff Group Companies of the consolidated group financial statements of SIHPL and the statutory financial statements of certain other Steinhoff Group Companies in respect of the financial years up to and including 2017 (the "**SIHPL Audits**" and the "**SIHPL Financial Statements**", respectively);
- 1.12.1.3 the audit by Deloitte NL of the consolidated group financial statements of SIHNV for the financial year 2015/16 (the "**2016 Audit**" and the "**2016 Financial Statements**", respectively);
- 1.12.1.4 a reporting accountants report for the purposes of the 2015 Prospectus (the "**RA Report**");
- 1.12.1.5 a comfort letter (the "**Comfort Letter**") for the purposes of the 2015 Prospectus;
- 1.12.1.6 limited assurance reports (the "**Limited Assurance Reports**") for the purposes of the issue of certain other securities issued by Steinhoff Group Companies, including bonds issued prior to December 2017 by a Steinhoff Group Company guaranteed by SIHNV and/or SIHPL (the "**Other Steinhoff Securities**");



- 1.12.1.7 the issuance by Deloitte & Touche South Africa of unqualified audit opinions in relation to the SIHPL Audits and the SIHPL Financial Statements (the "**SIHPL Audit Opinions**");
- 1.12.1.8 the incorporation by reference or inclusion with the auditor's approval of amongst other things the SIHPL Audits and the SIHPL Audit Opinions for the financial years 2013 to 2015, the RA Report, and other auditor work product into the 2015 Prospectus and the authorised use of the name of Deloitte & Touche South Africa in the 2015 Prospectus; and
- 1.12.1.9 the unqualified audit opinion of Deloitte NL in respect of the 2016 Financial Statements dated 6 December 2016 (the "**2016 Audit Opinion**") (the 2016 Audit Opinion and the SIHPL Audit Opinions together the "**Audit Opinions**");
- 1.12.2 Deloitte & Touche South Africa did not properly perform or was negligent in its performance of amongst other things:
 - 1.12.2.1 the SIHPL Audits;
 - 1.12.2.2 audits of other Steinhoff Group Companies;
 - 1.12.2.3 the Limited Assurance Reports;
 - 1.12.2.4 the RA Report;
 - 1.12.2.5 the Comfort Letter;
 - 1.12.2.6 its other work product contained in or referred to in the 2015 Prospectus and/or contained in or referred to in offering documents relating to Other Steinhoff Securities; and/or
 - 1.12.2.7 any assistance it provided to Deloitte NL, and/or other duties under the Deloitte & Touche South Africa engagement letters with respect to the SIHPL Audits, the RA Report, the Comfort Letter, and the Limited Assurance Reports;



- 1.12.3 Deloitte NL did not properly perform or was negligent in its performance of the 2016 Audit;
- 1.12.4 if Deloitte & Touche South Africa and/or Deloitte NL had properly performed their duties:
- 1.12.4.1 they would have discovered the Events earlier than they were, in fact, subsequently discovered and they would not have issued the Audit Opinions and Deloitte & Touche South Africa would not have issued the RA Report, the Limited Assurance Reports, the Comfort Letter or consented to its reports and name being referred to or included in the form and context in which they appeared in the 2015 Prospectus and/or contained in or referred to in offering documents relating to Other Steinhoff Securities, or alternatively would have withdrawn such consent;
- 1.12.4.2 SIHPL, SIHNV, other Steinhoff Group Companies and/or certain Steinhoff ~~Claimants~~ claimants would not have suffered losses;
- 1.12.4.3 such Scheme Creditors would not have purchased or acquired the Steinhoff Shares and Other Steinhoff Securities at an allegedly inflated price or would not have purchased or acquired those shares or securities at all; and
- 1.12.4.4 such Scheme Creditors would not have funded the Steinhoff Group or not on the same terms.
- 1.13 The allegations referred to in clauses 1.10 through 1.12 inclusive are referred to as the "**Allegations**".
- 1.14 The terms of certain of the Deloitte & Touche South Africa engagement letters with SIHPL and other Steinhoff Group Companies stipulate certain limitations of liability on the part of Deloitte & Touche South Africa and provide for a right of Deloitte & Touche South Africa to be indemnified by SIHPL, together with SIH and certain other Steinhoff Group Companies and their directors and officers and managers (a) against claims by third parties relating to reports of Deloitte & Touche South Africa



received by third parties, including claims by third parties relying on such reports; and (b) for all losses, liabilities, damages, costs or expenses incurred by Deloitte & Touche South Africa as a result of SIHPL and other Steinhoff Group Companies and their directors and officers and managers failing to comply with their obligations under the engagement letters, including their obligations to provide accurate information and to disclose all relevant information to Deloitte & Touche South Africa. In each case, the indemnities granted by SIHPL are granted on the basis that SIH (as a co-grantee) will undertake in favour of SIHPL that SIH will, in its capacity as a signatory to the SSSA, discharge any such liability by way of indemnification in full, and SIHPL will not be required to contribute in respect of the same. The Deloitte NL Engagement Letter with SIHNV contains similar terms and conditions.

- 1.15 Since the departure and resignation of Mr Jooste, and in light of the Litigation-, the Allegations, and assertions regarding the Events, the Steinhoff Group has worked hard to restore confidence by protecting the Steinhoff Group's underlying businesses, commissioning and undertaking an investigation into the causes and effects of the Events and/or the Allegations, and stabilising its financial position.
- 1.16 To the latter end, during 2018 and 2019, the Steinhoff Group negotiated and after extensive discussions put in place a financial restructuring to consolidate and extend its financings until 31 December 2021 (with a total value of approximately €8.8 billion), including under the terms of Contingent Payment Undertakings entered into by SIHNV and SIHPL ~~in substitution of~~ deferring their respective liabilities under guarantees previously ~~and respectively given entered into~~ by them (the "**Financial Restructuring**").
- 1.17 The Steinhoff Group's strategy following the Financial Restructuring has been threefold:
- 1.17.1 to continue to protect and promote the underlying businesses of the Steinhoff Group;
- 1.17.2 to seek to resolve the Litigation and associated potential recourse claims faced by the Steinhoff Group; and



1.17.3 to reduce the financial indebtedness of the Steinhoff Group.

1.18 These three objectives are inter-related and inter-dependent. For example, the continuation of the Litigation and the uncertainty it represents continues to cast a shadow over the trading businesses within the Steinhoff Group and is a matter which counterparties to those businesses take into account. Similarly, uncertainty arising from unresolved contingent liabilities, including potential recourse claims by the D&O Beneficiaries, Audit Firms and the other Deloitte Beneficiaries, can negatively affect the valuations of the Steinhoff Group's assets at a time when the Steinhoff Group needs to repay significant amounts of debt over a relatively short timeframe, and the most realistic way to achieve that is by realising businesses and assets at the maximum achievable value.

The Steinhoff Group Settlement

1.19 As noted above, it was not possible to resolve all of the critical issues facing the Steinhoff Group at the same time as the Financial Restructuring, and a key outstanding issue has been the need to resolve the contingent liabilities arising from the Litigation and to limit any future litigation.

1.20 SIHPL denies the Allegations and has defended, and continues to defend, all of the Litigation, and has denied, and continues to deny, liability and wrongdoing as alleged in the Litigation, and nothing contained in this Proposal is to be interpreted as detracting from it or as a waiver or abandonment of it such denials. To date, no judgments on the merits, and giving rise to the liability as alleged in the Litigation, have been granted and, in fact, certain ~~claims~~ judgments have been ~~dismissed~~ handed down in SIHPL's favour.

1.21 If, however, any of the Litigation were to be successful in establishing liability on the part of SIHPL, SIHPL would be at material risk of damages assessments and awards. There is a potential that adverse judgments may be granted against SIHPL by a court of first instance in the ~~latter part of 2021~~ first half of 2022.

1.22 SIHPL, together with SIHNV and various creditor group and claimant group representatives, has, therefore, been proactively exploring the possibility of resolving substantially ~~resolving all of~~ the Litigation, as well as compromising certain



other unsecured, non-preferred, claims against SIHPL and SIHNV, by means of the Steinhoff Group Settlement.

- 1.23 This Proposal records the terms of the Steinhoff Group Settlement with regards to SIHPL and the Scheme Creditors. It is essential to note, however, that this Proposal is inter-conditional with, and dependent on the success of, a proposal by SIHNV for the settlement and compromise of its litigation and financial liabilities in accordance with the terms of the SIHNV Composition Plan. Furthermore, in terms of the SSSA, the D&O Insurers, the Settling D&Os, the Deloitte Firms, SIHPL, SIHNV and other Steinhoff Group Companies grant each other, certain of the other D&Os and the other Audit Firms [and other Deloitte Beneficiaries](#) releases and waivers from claims and liabilities relating to the Events and ~~/or~~ Allegations, including potential recourse claims, under the terms set out in the SSSA. Those releases and waivers will only become effective if and when this Proposal and the SIHNV Composition Plan are approved and sanctioned [/confirmed \(as applicable\)](#). In short, the Steinhoff Group Settlement is comprised of this Proposal and the SIHNV Composition Plan together and ~~has to be read in conjunction and~~, as such, each of this Proposal and the SIHNV Composition Plan must be approved and sanctioned ~~/confirmed (as applicable)~~ before either comes into effect, and the releases and the waivers in the SSSA will also only come into effect in that event. For the avoidance of doubt, the provisions of this Proposal do not in any way impair or diminish any of the rights of the D&O Beneficiaries and the Audit Firms or other Deloitte Beneficiaries under the SSSA or any other agreements between the D&O Insurers, the Settling D&Os and/or Deloitte Firms and any Released Parties and/or any Scheme Creditor/s. The key obligations assumed by SIHPL and SIHNV pursuant to the SSSA are set out in Annexure I.

This Proposal

- 1.24 This Proposal contains the substantive terms and conditions for the proposed compromise of all of the claims asserted by Scheme Creditors who fall within the three Classes of Scheme Creditors to whom this Proposal is made, as well as the requisite information required in terms of section 155 of the Companies Act.
- 1.25 Specifically, this Proposal contains detailed information designed to assist each of SIHPL's Classes of Scheme Creditors in assessing the benefits of the Proposal for



them, including relative to the likely counterfactual of SIHPL's insolvent liquidation. The three Classes of Scheme Creditors (Financial Creditors, Contractual ~~Creditors~~ Claimants and SIHPL Market Purchase Claimants) are defined in Annexure A and their characteristics are described in clause 4.9.

1.26 The terms of this Proposal have been substantially amended since it was first issued, including to take account of the variations to the terms of the Steinhoff Group Settlement announced respectively by SIHNV on 16 July 2021 and by SIHPL on 11 August 2021, both available at <https://www.steinhoffinternational.com/sens.php>.

1.27 ~~4.26~~ For the reasons set out in detail in this Proposal, SIHPL believes that the respective treatment under this Proposal of each of its Classes of Scheme Creditors is beneficial relative to that likely counterfactual of insolvent liquidation and is fair and equitable as between them. Accordingly, every Scheme Creditor is encouraged to vote in favour of, and otherwise support, this Proposal.

1.28 ~~4.27~~ For the avoidance of doubt, it is recorded that, subject to the remaining provisions of this Proposal (including the Suspensive Conditions):

1.28.1 ~~4.27.1~~ where this Proposal is supported by the requisite majority of a particular Class of Scheme Creditors, it shall be binding on **all** members of that Class of Scheme Creditors irrespective of whether or not certain members of that Class of Scheme Creditors did not support this Proposal; and

1.28.2 ~~4.27.2~~ for this Proposal to become effective, the Proposal must be supported by the requisite majority of **all** three Classes of Scheme Creditors. Accordingly, if any one of the Classes of Scheme Creditors should fail to approve the Proposal, ~~it will fail. The result of such failure is that there is unlikely to be any alternative other than for SIHPL to enter into~~ the Proposal will fail, with the associated risk that SIHPL may need to enter insolvent liquidation ~~proceedings~~.

1.29 ~~4.28~~ This Proposal will become effective if, and from the date on which, the last of the Suspensive Conditions contained in clause ~~33-28~~ of this Proposal has been satisfied ~~(being the "Proposal Effective Date")~~. SIHPL shall, thereafter, give effect



to this Proposal by implementing and procuring the implementation of its terms and satisfying its conditions, in accordance with the timelines and procedures set out in this Proposal.

1.30 ~~1.29~~ Nothing contained in this Proposal shall:

1.30.1 ~~1.29.1~~ constitute an admission of liability, indebtedness, wrongdoing or the like, on the part of SIHPL, the Board and officers of SIHPL or any member of the Steinhoff Group and their respective directors and officers;

1.30.2 ~~1.29.2~~ waive, negate, abandon or serve to limit the scope and ambit of SIHPL's denials of liability or the defences raised by it to any claims asserted against it, whether such claims have been instituted or not; and/or

1.30.3 ~~1.29.3~~ serve as an acknowledgment by SIHPL, for purposes of any proceedings against it, that Scheme Creditors asserting alleged claims of whatsoever nature against it are proven creditors of SIHPL, or have locus standi in such proceedings, notwithstanding their description as Scheme Creditors for purposes of this Proposal.

1.31 ~~1.30~~ It is imperative that interested persons carefully read and consider this Proposal, together with the definitions contained in Annexure A to this Proposal, and any other annexures to this Proposal which may be relevant to such interested persons.

1.32 ~~1.31~~ As a number of the matters set out in this Proposal are complex and technical in nature, all interested persons are encouraged to consult with an independent legal advisor, accountant, financial advisor or any other professional advisor who may be of assistance to interested persons with respect to the contents of this Proposal.

1.33 ~~1.32~~ Nothing contained in this Proposal constitutes, on the part of the Board and/or SIHPL, tax, accounting or legal advice to any person or entity.

1.34 ~~1.33~~ This Proposal does not constitute a representation, or representations, of any nature whatsoever on the part of the Board and ~~or SIHPL~~ officers of SIHPL and/or



SIHPL and/or any member of the Steinhoff Group and their respective directors and officers, save for any representation that is expressly made (and stated as such) in this Proposal.

1.35 ~~1.34~~ The Board and/or SIHPL shall not be responsible for any acts taken by (or omissions arising from) any person or entities' reliance on this Proposal, save for a failure by the Board and/or SIHPL to give effect to any obligation imposed on it in terms of this Proposal.

Conservatorium-Margin Lender Claimants settlement

1.36 ~~1.35~~ SIHPL is a defendant in respect of a number of Non-Qualifying Claims which are claims asserted as at the Proposal Date and which are not subject to this Proposal, and such Non-Qualifying Claims fall outside of the Classes of Scheme Creditors to whom this Proposal is offered.

1.37 ~~1.36~~ ~~Such~~ Non-Qualifying Claims include any and all claims made by Conservatorium in respect or arising out of, or acquired pursuant to, margin loans extended to, and/or security granted in support of such loans by, Upington in 2016 and 2017 (the "**Conservatorium Claims**"). In this respect:

1.37.1 ~~1.36.1~~ SIHPL, together with SIHNV and SAHPL, has as of 14 February 2021 entered into a conditional settlement agreement with Conservatorium and certain of its related parties (the "**Margin Lender Settlement Agreement**") which agrees a basis on which the Conservatorium Claims will be settled subject to certain conditions including the occurrence of the Settlement Effective Date. ~~Other parties to the~~ In the event that the conditions to which the Margin Lender Settlement Agreement is subject are not all timeously fulfilled, the Margin Lender Settlement Agreement will lapse/fail and the Litigation to which Conservatorium is party will proceed. Other parties to the Margin Lender Settlement Agreement include (i) Titan and certain of its related parties and (ii) certain Financial Creditors who hold minority interests in the margin loans which are the subject of the Conservatorium Claims (together with Conservatorium, the "**Margin Lender Claimants**");



1.37.2 ~~1.36.2~~ specifically, pursuant to the Margin Lender Settlement Agreement, Non-Qualifying Claims against SIHPL arising out of, or said to form part of security granted in respect of, the relevant margin loans, including the Conservatorium Claims and any other related claims of the Margin Lender Claimants, will be settled subject to and upon the occurrence of the Settlement Effective Date in exchange for settlement consideration of €61 million, to be paid 50% in cash and 50% in PPH Shares at a deemed settlement price of R15.00 per share (subject to SIHPL's right to effect the settlement of the settlement consideration in a greater proportion, or the full amount, in cash) (the "**MLC Settlement Consideration**"). The MLC Settlement Consideration is to be paid within 30 days of the Settlement Effective Date; and

1.37.3 ~~1.36.3~~ the MLC Settlement Consideration will be effected by a series of transactions undertaken among SIHPL, SIH, SAHPL and Ainsley, the net effect of which will be to reduce the balance of the ~~SIH Receivable~~ Intercompany Receivables following the Settlement Effective Date in a ZAR amount equivalent to the MLC Settlement Consideration and, accordingly, reduce the value of SIHPL's assets by that amount.

1.38 ~~1.37~~ The payment of the MLC Settlement Consideration and related transactions will have no effect on the settlement consideration respectively payable pursuant to the Proposal to Contractual Claimants and SIHPL Market Purchase Claimants.

1.39 ~~1.38~~ The projected balance sheet for SIHPL annexed to the Proposal marked Annexure E shows the effect of the Margin Lender Settlement Agreement following the Settlement Effective Date, and its implications for continuing creditors of SIHPL including the Financial Creditors. In this respect:

1.39.1 ~~1.38.1~~ although the effect of the payment of the MLC Settlement Consideration, subject to the Settlement Effective Date and other conditions ~~reference~~ referenced below, will be to reduce the ~~SIH Receivable by~~ Intercompany Receivables by the ZAR equivalent of the MLC Settlement Consideration, it will also ensure that SIHPL will no longer be subject to the Conservatorium Claims or any other claims that may be brought by Margin Lender Claimants;



1.39.2 ~~1.38.2~~ the Conservatorium Claims include:

1.39.2.1 ~~1.38.2.1~~ a Non-Qualifying Claim that it and other Margin Lender Claimants are the true owners of at least 64% of Thibault's claim for damages against SIHPL (under case number 7287/2018 in the High Court of South Africa, Western Cape Division) in an amount of R34,721,300,550.00; and

1.39.2.2 ~~1.38.2.2~~ further Non-Qualifying Claims for very substantial damages, to the effect that SIHPL is jointly liable with SIHNV for certain losses suffered by Upington and (separately) directly by the margin lenders;¹

1.39.3 ~~1.38.3~~ absent the Margin Lender Settlement Agreement, such Non-Qualifying Claims would, following the Settlement Effective Date, continue to be ~~maintainable~~ maintained against SIHPL, and SIHPL would be required to continue to defend them.

1.40 The Margin Lender Settlement Agreement is subject to the requisite approvals of the Financial Creditors under the relevant Steinhoff Finance Documents. It is also subject to the approval of the Financial Surveillance Department of the South African Reserve Bank. SIHNV and SIHPL shall use all reasonable endeavours to procure such approvals as soon as reasonably practicable. If such approvals are not obtained by the Settlement Effective Date, the Margin Lender Settlement Agreement will automatically terminate. If such approval is not obtained by the Settlement Effective Date, or the Settlement Effective Date does not occur by 30 September 2021, the Margin Lender Settlement Agreement may terminate. For the avoidance of doubt, the termination of the Margin Lender Settlement Agreement will not otherwise affect this Proposal or its implementation.

¹ Including a claim against SIHPL and SIHNV for any costs or damages associated with the margin loan originally provided by the margin lenders to Upington to finance Upington's acquisition of 314,000,000 SIHNV Shares in 2016 seeking damages asserted to amount to approximately ~~EUR 993,700,000~~ EUR 993,700,000.00.



Material developments since launch of Proposal

- 1.41 Since the Proposal was first issued, there have been a series of developments announced by SIHNV and SIHPL on 16 July 2021 and on 11 August 2021, available at <https://www.steinhoffinternational.com/sens.php>. These developments and their implications for the Proposal are summarised below.
- 1.42 First, Trevo Capital Limited ("**Trevo**") applied to the High Court challenging the validity of both the guarantee granted by SIHPL in favour of the 2021 convertible bonds in 2014 (the "**2014 Guarantee**") and the SIHPL CPU (entered into in 2019 by way of a restructuring of SIHPL's crystallised liability as guarantor under both the 2014 Guarantee and a subsequent guarantee it granted in favour of the 2022 convertible bonds (together, the "**Guarantees**")), alleging that they contravened the financial assistance provisions set out in section 45 of the Companies Act (the "**S.45 Application**):
- 1.42.1 Hamilton entities successfully applied to intervene in the S.45 Application in support of Trevo;
- 1.42.2 SIHPL opposed the S.45 Application on the basis that section 45 did not apply to invalidate the grant of the 2014 Guarantee or the SIHPL CPU either in fact or in law. It also contested the standing of Trevo and Hamilton to bring the S.45 Application. In that context, Hamilton and Trevo contended that the decision of the South Gauteng Division of the High Court of South Africa in *De Bruyn*² was wrongly decided;
- 1.42.3 in its decision on the S.45 Application handed down on 2 July 2021 (the "**S.45 Judgment**"), the High Court confirmed the validity of the 2014 Guarantee, but in relation to the SIHPL CPU, found that section 45 had been breached and held that the resolution of the SIHPL board authorising entry into the SIHPL CPU and the SIHPL CPU itself were void. No ruling was made with respect to the correctness or otherwise of the decision of the South Gauteng Division of the High Court in *De Bruyn*;³

² *De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020).

³ *De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020).



1.42.4 SIHPL was notified that certain Financial Creditors had appealed against the S.45 Judgment, primarily on the basis that the South African financial assistance provisions should not have been held to have been contravened in circumstances where SIHPL already owed a crystallised liability under the Guarantees in the amount of the SIHPL CPU. In addition, the appealing Financial Creditors notified SIHPL that, in the event that their appeal of the S.45 Judgment was ultimately unsuccessful, they would be entitled to the benefit of continuing debt claims or restitutionary claims against SIHPL which fall outside the scope of the S.45 Judgment. In general terms, and without limitation, they contended that SIHPL would owe an English law debt to Financial Creditors either under the original Guarantees or on similar terms by way of restitution for unjust enrichment suffered as a result of the loss of the benefit of those Guarantees (and the resulting windfall for SIHPL) in circumstances where both they and SIHPL had intended that SIHPL would remain liable to them under the SIHPL CPU following the Financial Restructuring;

1.42.5 SIHPL carefully considered the S.45 Judgment and the assertions made by the Financial Creditors. SIHPL had contested the S.45 application made by Trevo because it believed the assertions made by Trevo were wrong as a matter of fact and law and that the entry into the SIHPL CPU as part of the Financial Restructuring had provided very considerable benefits to SIHPL, including the certainty that the terms of the SIHPL CPU provided. The overall net effect on SIHPL following the S.45 Judgment was that SIHPL now faced more uncertainty and further claims from Financial Creditors and, in the absence of a successful appeal, a long and complicated series of multi-jurisdictional legal disputes. In SIHPL's view, there was a very material likelihood that the result of such disputes would be that it would ultimately be held still to owe substantial liabilities to the Financial Creditors by way of debt and/or in restitution for unjust enrichment;

1.42.6 in all the circumstances, SIHPL concluded that it should itself apply for leave to appeal the S.45 Judgment on the basis that it would have reasonable prospects of success in that appeal. Hamilton gave notice that it would also



seek leave to appeal the S.45 Judgment on the grounds that it was incorrect on the question of the validity of the 2014 Guarantee; and

1.42.7 all applications for leave to appeal are scheduled to be heard on 13 August 2021. Assuming, as SIHPL expects, such applications are granted, it will (subject to the effect of this Proposal if the Settlement Effective Date occurs) be many months before such appeals are heard.

1.43 Secondly, Hamilton entities maintained an application in the Western Cape High Court with respect to the question of whether the relative treatment of SIHPL MPC Claimants and SIHPL Contractual Claimants under the Proposal was justified having regard to the legal characteristics of their respective claims (the "**Class Composition Application**):

1.43.1 Hamilton entities contended, in particular, that it was impermissible for Contractual Claimants and SIHPL Market Purchase Claimants to be placed in separate classes under this Proposal, including on the basis that all such claimants would constitute concurrent creditors in a liquidation of SIHPL. Hamilton further contended that the decision of the South Gauteng Division of the High Court of South Africa in *De Bruyn*⁴ was wrongly decided and therefore not a justifiable basis for differentiating between SIHPL Market Purchase Claimants and Contractual Claimants;

1.43.2 Trevo successfully applied to intervene in the Class Composition Application for the purposes of contending that two of the three classes of Scheme Creditors fail to constitute a 'class of creditor' in terms of section 155 of the Companies Act;

1.43.3 SIHPL opposed both Hamilton and Trevo's arguments in the Class Composition Application on the basis that they were wrong as a matter of fact and law, and were in any event premature as they were matters for the Court to consider upon an application for Sanction of this Proposal;

⁴ *De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020).



1.43.4 the Class Composition Application was to be heard by the High Court on 4 – 6 August 2021, however, pursuant to an order granted on 4 August 2021, the matter was postponed until 13 August 2021. SIHPL has received confirmation of Hamilton's in principle support for the Steinhoff Group Settlement based on the increased contribution by SIHPL to the Steinhoff Group Settlement in the form of the SIHPL MPC Gross Settlement Fund. Hamilton's final approval of this Proposal will be subject to the ongoing claim verification process described in clauses 19 and 20 below. On the basis of the aforementioned increased contribution by SIHPL, SIHPL expects that Hamilton will withdraw from the Class Composition Application.

1.43.5 Trevo's action, instituted in the High Court against SIHPL under case number 4669/2019, arises in the context of a private agreement entered into between Trevo as purchaser and a related corporate entity, Treemo Proprietary Limited ("Treemo"), as seller to acquire Steinhoff shares on an off-exchange basis. In light of the fact that the agreement between Trevo and Treemo was entered into prior to the Scheme of Arrangement, Trevo has asserted a claim in that respect against SIHPL. SIHPL has denied all liability in respect of Trevo's claim and does not believe that, if litigated, Trevo's claim will succeed. SIHPL nonetheless recognises that the particular circumstances giving rise to Trevo's claim are arguably distinguishable from claims asserted by any other SIHPL Market Purchase Claimant in that:-

1.43.5.1 the shares that Trevo contracted to acquire from Treemo were shares that Treemo had acquired directly from SIHPL; and

1.43.5.2 the substantial majority of the consideration that passed from Trevo to Treemo, in exchange for the shares, took the form of preference shares that Trevo issued to Treemo. Only a small part of the consideration was paid by Trevo in cash;

1.43.6 in the Class Composition Application, Trevo has asserted, *inter alia*, that the allegedly special characteristics of its claim in the Trevo action are such that it could not be treated as a SIHPL Market Purchase Claimant, and that it should instead be treated as a Contractual Claimant. This is not a tenable proposition: as a result of the fact that Trevo did not contract directly with



SIHPL, Trevo's claim does not and cannot meet the definition herein of a 'Contractual Claimant', and thus Trevo is not and cannot be treated as a Contractual Claimant for the purposes of this Proposal;

1.43.7 ~~1.39~~ nevertheless, as noted above, SIHPL recognises that the particular circumstances giving rise to Trevo's claim also give rise to a question as to whether Trevo should indeed be treated as a SIHPL Market Purchase Claimant. In the circumstances, SIHPL has concluded that the appropriate course is to amend the previous version of this Proposal by updating the definitions of "SIHPL MPC Relevant Claim" and "Non-Qualifying Claim" so as to exclude Trevo from the ambit of the former definition and to provide that Trevo's claim against SIHPL should be designated as a Non-Qualifying Claim for the purposes of this Proposal.

1.44 Thirdly, SIHNV and SIHPL announced on 16 July 2021 that the SoP Gross Settlement Fund benefitting SIHNV Contractual Claimants, SIHNV Market Purchase Claimants and SIHPL Market Purchase Claimants would be increased from €370,000,000.00 to €612,620,000.00:

1.44.1 the reasons for that increase were set out in the announcement, available at <https://www.steinhoffinternational.com/sens.php>, and flow from the improvement in value of the Steinhoff Group's underlying assets in the period since the Steinhoff Group Settlement was first announced in July 2020, with associated implications for improved recoveries for SIHNV's claimants, including SIHNV Contractual Claimants and SIHNV Market Purchase Claimants, when compared and contrasted to the likely counterfactual to the proposed settlement (a SIHNV liquidation);

1.44.2 the improvement in the value of the Steinhoff Group's underlying assets did not enhance possible recoveries for SIHPL Market Purchase Claimants in the same way, as the value of SIHPL's intercompany loan and cash assets is not so materially affected by improvements in the value of the Steinhoff Group's underlying assets. SIHNV and SIHPL concluded nevertheless that SIHPL Market Purchase Claimants should participate on a *pro rata* basis in the enhanced offer, and that this Proposal should be amended accordingly;



1.44.3 as also announced by SIHNV, one consequence of SIHPL Market Purchase Claimants participating on a *pro rata* basis in the enhanced recoveries under the SoP Gross Settlement Fund was that the SIHNV Loan would also be increased (from no more than €100,000,000.00 to a sum ultimately determined to be €164,000,000.00), with a corresponding reduction in the assets previously expected to be available following the Settlement Effective Date for application towards the claims of *inter alia* Financial Creditors under the S155 Settlement Note over time; and

1.44.4 by contrast, the position of Contractual Creditors would remain the same.

1.45 Fourth and finally, this Proposal now incorporates the SIHPL MPC Gross Settlement Fund announced on 11 August 2021, being a separate fund in the sum of R3,213,580,773.00 to be funded by SIHPL and administered by the SRF for the benefit of SIHPL Market Purchase Claimants only (on a *pro rata* basis):

1.45.1 SIHPL had regard in doing so to the continuing opposition of substantial SIHPL Market Purchase Claimants to the terms of this Proposal, including Hamilton's objections (articulated for example in its evidence in the Class Composition Application and the S.45 Application) to the treatment of SIHPL Market Purchase Claimants relative to Contractual Claimants and Financial Creditors;

1.45.2 again, the associated material improvement in settlement consideration available to SIHPL Market Purchase Claimants would come substantially at the expense of Financial Creditors and, by contrast, the position of Contractual Creditors would remain the same; and

1.45.3 SIHPL has received confirmation of Hamilton's in principle support for the Steinhoff Group Settlement based on the increased contribution by SIHPL to the Steinhoff Group Settlement in the form of the SIHPL MPC Gross Settlement Fund. Hamilton's final approval of this Proposal will be subject to the ongoing claim verification process described in clauses 19 and 20 below.



1.46 In summary therefore, and as detailed elsewhere in this Proposal and reflected in the table below, the effects of the amendments to this Proposal include:

1.46.1 an amendment to the definitions in this Proposal of "SIHPL MPC Relevant Claim" and "Non-Qualifying Claims" such that Trevo no longer falls within the ambit of the definition of a SIHPL Market Purchase Claimant and instead is a Non-Qualifying Claimant for purposes hereof;

1.46.2 a very material increase in the settlement recoveries of SIHPL MPC Claimants under the Proposal;

1.46.3 a corresponding reduction in the assets previously expected to be available following the Settlement Effective Date for application towards the claims of *inter alia* Financial Creditors under the S155 Settlement Note over time; and

1.46.4 other than certain changes applicable to the terms offered to BVI (as set out in clauses 4.37.4.4 and 4.37.4.5, as well as clauses 14.4.3.3 and 14.4.3.4 below), no changes to the terms of the Proposal for Contractual Claimants.

Summary of the cumulative increased offer under the Steinhoff Group Settlement proposal

	<u>Original settlement amount (July 2020)</u>		<u>Revised total settlement amount (inc. 16 July 2021 & 11 August 2021 offers)</u>		<u>Total increase in settlement amount since July 2020</u>		
	<u>EURm</u>	<u>ZARm</u>	<u>EURm</u>	<u>ZARm</u>	<u>EURm</u>	<u>ZARm</u>	<u>% Inc.</u>
<u>SIHNV & SIHPL Market Purchase Claimants</u>	<u>267</u>		<u>442</u>		<u>175</u>		<u>66%</u>
<u>SIHNV Contractual Claimants</u>	<u>103</u>		<u>171</u>		<u>68</u>		<u>66%</u>
<u>Hemisphere CPU</u>	<u>40</u>		<u>66</u>		<u>26</u>		<u>66%</u>
<u>SIHPL Contractual Claimants: Titan</u>		<u>7,904</u>		<u>7,904</u>		<u>-</u>	<u>-</u>
<u>SIHPL Contractual Claimants: Other</u>		<u>1,653</u>		<u>1,653</u>		<u>-</u>	<u>-</u>
<u>SIHPL Market Purchase Claimants (current increase)</u>		<u>=</u>		<u>3,214</u>		<u>3,214</u>	<u>n.m.</u>



<u>EUR Total (of EUR and ZAR amounts)</u>	<u>969</u>	<u>1,426</u>	<u>457</u>	<u>47%</u>
---	------------	--------------	------------	------------

Notes:

(1) The values in this table were calculated for illustrative purposes using an FX rate of 17.0906 and exclude certain cost provisions.

(2) In addition, as announced on 14 February 2021, the settlement terms with Conservatorium include consideration payable by SAHPL (on behalf of SIHPL) in the amount EUR 61m.

(3) The "SIHPL Contractual Claimants: Other" values in this table include the amount reserved in relation to Mayfair's disputed Contractual Claim against SIHPL. This component of the consideration will only be paid to Mayfair if it is successful in its dispute with SIHPL and will otherwise revert to SIHPL.

2 SECTION 155 OF THE COMPANIES ACT AND ITS EFFECT

2.1 This clause 2 of the Proposal is intended to be an explanation of section 155 of the Companies Act and its effect. Once again, interested parties are encouraged to consult with their independent advisors if there is anything in regard to the application and effect of section 155 of the Companies Act which remains unclear to them after they have considered *inter alia* clause 2 of this Proposal.

2.2 In terms of section 155 of the Companies Act, the board of directors of a company may propose an arrangement or a compromise of its financial obligations to all of its creditors, or to all of the members of any class of its creditors, by delivering a copy of a proposal and notice of the meeting to consider the proposal to *inter alia* every member of each relevant class, and to the CIPC.

2.3 A proposal as contemplated in section 155 of the Companies Act will have been adopted by the creditors, or the members of a relevant class of creditors, if it is supported by a majority in number representing at least 75% in value of the creditors or class, as the case may be, present and voting in person or by proxy at a meeting called for that purpose.

2.4 If a proposal has been adopted as contemplated in section 155 of the Companies Act, the company may apply to Court for an Order approving and sanctioning the compromise ("**Sanction**").

2.5 Subject to any other suspensive conditions it may contain, a compromise approved and sanctioned by the Court becomes final and binding on all the company's creditors, or on all of the members of the relevant class or classes of creditors, as the case may be, on the date on which the Court Order is filed with the CIPC (which



the company is obliged to do within five Business Days of such Court Order being granted).

- 2.6 Given the final and binding nature of a compromise approved and sanctioned by the Court, the creditors affected by the compromise will (subject to the satisfaction of any other suspensive conditions) no longer be able to pursue their claims against SIHPL, the D&O Beneficiaries, the Audit Firms and the other Deloitte Beneficiaries, and will not, for example, ~~be~~ later be able to seek to recover from SIHPL, the D&O Beneficiaries, the Audit Firms or the other Deloitte Beneficiaries the difference between the amount that they receive as a consequence of the compromise approved and sanctioned by the Court, and the value of the claim or claims they assert against SIHPL, the D&O Beneficiaries, the Audit Firms or the other Deloitte Beneficiaries.
- 2.7 A proposal as contemplated in section 155(2) of the Companies Act must contain all of the information reasonably required to assist the creditors concerned in deciding whether or not to accept or reject the proposal, and must be divided into a Part A, a Part B and a Part C, as set out below.
- 2.8 Each of these parts is dealt with, in turn, in this Proposal.

3 CHRONOLOGY

The key ~~dates~~ milestones for the Proposal are –

- 3.1 the date on which notice of the Proposal will be given to potential Scheme Creditors;
- 3.2 the date by which potential Scheme Creditors must be verified and must have submitted evidence supporting their claims with the Claims Administrator;
- 3.3 the date on which the Scheme Meetings will be convened, with notice thereof to be delivered to inter alia verified Scheme Creditors;
- 3.4 the date on which the Sanction application will be made, following the adoption of the Proposal by Scheme Creditors; and



3.5 the Bar Date (being the final date on which Scheme Creditors will be able to validly lodge claims),

~~which and the relevant~~ dates will continue to be announced on www.SteinhoffSettlement.com ~~in due course~~.



PART A – BACKGROUND

4 OVERVIEW OF THIS PROPOSAL

Background to the Proposal

- 4.1 As noted above, SIHPL and SIHNV are involved in numerous legal proceedings with respect to the Events. If any of this pending Litigation (or other such Litigation that might yet be brought) were to result in findings of liability on the part of ~~the~~ SIHPL, SIHPL would be at material risk of damages assessments and awards.
- 4.2 Whilst the various proceedings brought against SIHPL are at different procedural stages, SIHPL is of the view that there is ~~a~~ at least the potential that adverse judgments may be granted against SIHPL ~~by a court of in the~~ first ~~instance in the latter part of 2021~~ half of 2022 and, as such, in order to ~~arrive at a workable solution that would enable SIHPL to~~ avoid an insolvent liquidation, an overall solution is needed involving the settlement of a very significant proportion of such proceedings.
- 4.3 Given the multitude of relevant creditors and the diversity, complexity and multijurisdictional dimension of the claims, the Proposal is the product of discussions and analysis ~~undertaken~~ that have taken place for over a year. Throughout that period, SIHPL (together with SIHNV) has worked intensively to formulate a proposed basis of settlement which seeks to ~~achieve the key goal of yielding an outcome likely to be materially better and more certain for each of the Classes of Scheme Creditors than a "no settlement" scenario (i.e., a likelihood of insolvent liquidation of SIHPL), whilst also allocating~~ allocate a fair distribution of value across such constituencies in a way that reflects fair and reasoned treatment amongst them, in the context of the prevailing law, in order to achieve the benefits associated with an outcome that avoids a "no settlement" scenario (with the associated risk of insolvent liquidation of SIHPL).
- 4.4 Conscious of the limited window of opportunity for settlement that was open to them, and in light of both the extensive discussions that they had participated in over many months and a period of assessment of the implications of the COVID-19 pandemic, with the assistance of the Litigation Working Group, SIHPL and SIHNV



concluded in mid-2020 that they were in a position publicly to formulate a proposal that, in their view, achieved the key objectives stated above, i.e. the Steinhoff Group Settlement.

4.5 Proposed terms for the Steinhoff Group Settlement, including those applicable to SIHPL, were initially announced on 27 July 2020 (https://www.steinhoffinternational.com/downloads/2020/litigation_claims/Universe_Settlement_Press_Release_2020.pdf). Amended terms were announced on 9 October 2020 (https://www.steinhoffinternational.com/downloads/2020/litigation_claims/A411995_51%20Project%20Universe_SIHNV%20and%20SIHPL%20term%20sheets%20October%202020.pdf) and further amended terms on 16 July 2021 (<https://www.steinhoffinternational.com/downloads/2021/Summary%20Amendments%20July%202021.pdf>) and on 11 August 2021 (<https://www.steinhoffinternational.com/sens.php>).

4.6 This Proposal is made for the purpose of implementing the terms of the Steinhoff Group Settlement with regards to SIHPL. For the purposes of section 155 of the Companies Act, it is recorded that:

4.6.1 this Proposal does not include any proposals made formally or informally by any creditor of SIHPL;²⁵ and

4.6.2 SIH is the holder of all of SIHPL's issued shares and the implementation of this Proposal will not alter that or otherwise alter the shareholding in SIHPL in any way.³⁶

The purposes of this Proposal

4.7 SIHPL is making this Proposal in order to:

4.7.1 obtain and implement a binding compromise with its Financial Creditors ~~governing the terms on which they will retain and be able to pursue~~ of their

²⁵ Section 155(3)(a)(v): informal proposals by SIHPL's creditors.

³⁶ Section 155(3)(a)(iv): holders of SIHPL's issued securities.



claims against it ~~in the future~~ by replacing such claims with the rights arising in their favour under this Proposal;

- 4.7.2 obtain and implement a binding settlement of Litigation claims of Contractual Claimants in consideration of its procuring payments of settlement consideration in the form of cash and/or PPH Shares;
- 4.7.3 obtain and implement a binding settlement of Litigation claims of SIHPL Market Purchase Claimants in consideration of its procuring (as well as SIHNV procuring ~~payments~~ on its behalf-) payments of settlement consideration in the form of cash and/or PPH Shares;
- 4.7.4 permit certain transactions in connection with such arrangements;
- 4.7.5 fulfil a condition precedent to which certain provisions in the SSSA are subject, so as to obtain and implement a binding settlement with the Deloitte Firms, the D&O Insurers and the Settling D&Os, the terms of such settlement being more fully described in clause 23 below; and
- 4.7.6 further stabilise the Steinhoff Group so as to maximise what is available to be distributed in terms of this Proposal, by marshalling cash, preserving the going concern value of the Steinhoff Group's businesses and avoiding further litigation costs,

all for the purpose of enabling SIHPL to avoid the risk of insolvent liquidation and to provide a fair distribution of value to claimants. More broadly, the Steinhoff Group Settlement, of which this Proposal forms part, seeks to ensure the continuity of the Steinhoff Group's operations in order to safeguard the jobs of the thousands of employees of the Steinhoff Group's underlying businesses and, by preserving the value of those underlying businesses, to protect the broader universe of Steinhoff Group stakeholders.

Scope of this Proposal

- 4.8 This Proposal seeks to compromise ~~(i) financial obligations which SIHPL admits that it owes to certain of its creditors, namely~~ any and all claims against SIHPL



(whether or not legally established and whether or not admitted or disputed by SIHPL) of the Financial Creditors, and (ii) alleged (but disputed and not legally established) obligations that are alleged (but not admitted by SIHPL) to be owed by it to two distinct groups of its Litigation claimants, being the Contractual Claimants and the SIHPL Market Purchase Claimants as defined and to extinguish all such claims and replace them with the rights arising under the terms of this Proposal.

The Financial Creditors, Contractual Claimants and SIHPL Market Purchase Claimants are defined in Annexure A to this Proposal (i) collectively as the Scheme Creditors and (ii) respectively as the Classes of Scheme Creditors.

4.9 In summary:

4.9.1 Financial Creditors ~~have undisputed contractual~~ are those who have asserted or may assert claims against SIHPL arising under, out of or in connection with their interests as beneficiaries or alleged beneficiaries under the SIHPL CPU, a debt instrument. ~~Both the fact and amount of SIHPL's liability in that respect are certain;~~ SIHPL's liability to the Financial Creditors under the SIHPL CPU is the subject matter of a South African High Court judgment (the S.45 Judgment, as defined in clause 1.42.3) which is itself subject to applications for leave to appeal. The fact and nature of SIHPL's liability to Financial Creditors may also turn on questions of English law which are outside the scope of the S.45 Judgment or any appeal thereof. For the reasons set out in clauses 4.25 to 4.30 below, SIHPL accepts that the claims of Financial Creditors give rise to a material risk of substantial liability owed by SIHPL to the Financial Creditors;

4.9.2 a Contractual Claimant is a Litigation claimant, ~~which~~ which instituted claims against SIHPL prior to ~~05-5~~ 5 December 2020, in respect of arms-length negotiated contractual arrangements under which shares in other enterprises were sold or transferred by such claimants or their related parties to SIHPL, and received consideration directly from SIHPL by way of issuance, or transfer, of SIHPL Shares. The fact and amount of SIHPL's liability in respect of such claims are uncertain but, for the reasons described in this Proposal, SIHPL is of the view that there is a potential that adverse judgments may be granted against SIHPL by a court of first instance; and



- 4.9.3 a SIHPL Market Purchase Claimant is an actual or potential Litigation claimant who otherwise 'purchased' (within the meaning ascribed to the term in the Steinhoff Allocation Plan) SIHPL Shares on the JSE prior to close of business on ~~06-6~~ December 2015 and continued to hold SIHNV Shares it then received in exchange for such SIHPL Shares pursuant to the Scheme of Arrangement at close of business on ~~05-5~~ December 2017. The fact and amount of SIHPL's liability in respect of such claims are also uncertain but, for the reasons described in this Proposal, SIHPL considers that they give rise to a ~~much~~ less material risk of liability for ~~#~~SIHPL.
- 4.10 This Proposal is made **only** to ~~these aforesaid~~ the Classes of Scheme Creditors. In light of the differences set out above, SIHPL has formulated a Proposal entailing differing settlement and compromise terms for each of its Classes of Scheme Creditors. Such differences are explained in further detail in this Proposal: see in particular clause 6.
- 4.11 This Proposal is not made to any person (including those who have already instituted Litigation proceedings against SIHPL) who does not qualify as a Scheme Creditor (i.e. a Financial Creditor, a Contractual Claimant or a SIHPL Market Purchase Claimant, as defined in Annexure A to this Proposal). Any person who does not meet the definitional requirements of one of the ~~three classes~~ Classes of Scheme Creditors is classified as a Non-Qualifying Claimant and is not subject or bound to the provisions of this Proposal, or to the Adoption or Sanction thereof.

Statutory creditors

- 4.12 For the purposes of this Proposal, the Classes of Scheme Creditors are as set out above.
- 4.13 For the broader purpose of identifying creditors of SIHPL that (whether or not they are Scheme Creditors) fall within the terms of ~~the Section~~ section 155(3)(a)(ii) of the Companies Act, details of such creditors, and their respective status, are provided below.



4.14 SIHPL admits the claims of:

~~4.14.1 the Financial Creditors;~~

4.14.1 ~~4.14.2~~ the Intercompany Loan Creditors and creditors under related-party loans as set out in Annexure C, none of which will be payable on or immediately after the Settlement Effective Date;

4.14.2 ~~4.14.3~~ SARS; and

4.14.3 ~~4.14.4~~ persons or entities with trade and other payable claims as set out in Annexure C,

collectively, "**Recorded Creditors**".

4.15 ~~For the purposes of this Proposal, the Financial Creditors are regarded as Scheme Creditors, and will have the right to participate in this Proposal. SIHPL's obligations to other~~ SIHPL's liability to Recorded Creditors will remain unaffected by this Proposal.

4.16 As foreshadowed above, and for the reasons set out in clauses 4.25 to 4.30 below, SIHPL accepts that the claims of Financial Creditors give rise to a material risk of substantial liability to the Financial Creditors.

4.17 ~~4.16~~ SIHPL denies liability in respect of the claims of -

4.17.1 ~~4.16.1~~ the Contractual Claimants;

4.17.2 ~~4.16.2~~ the SIHPL Market Purchase Claimants; and

4.17.3 ~~4.16.3~~ the Non-Qualifying Claimants.

4.18 ~~4.17~~ Only for the purposes ~~only~~ of this Proposal, but without any admission of liability or any other concession on its part, the Contractual Claimants and the



SIHPL Market Purchase Claimants are (together with Financial Creditors) regarded as Scheme Creditors.^{4z}

4.19 ~~4.18~~ Non-Qualifying Claimants are not Scheme Creditors – this Proposal is not made to them; they are not entitled to participate in this Proposal and ~~such any~~ alleged claims ~~as that~~ they may ultimately be proven to have will not be compromised by this Proposal.

4.20 ~~4.19~~ Every person or entity contemplated in clauses 4.14 ~~and 4.16 to 4.17~~ of this Proposal would, to the extent their claims are proved in a liquidation scenario, be concurrent creditors of SIHPL, save for SARS, which would be a preferent creditor in terms of the laws of insolvency.

Summary of the terms of this Proposal

4.21 ~~4.20~~ The material assets owned by SIHPL, as at the date of this Proposal, are set out in Annexure B (the "**SIHPL Assets**"). At the date of this Proposal, none of SIHPL's creditors hold any security over SIHPL Assets with respect to their claims or alleged claims.^{5g}

4.22 SIHPL will procure that (in each case as summarised further below):

4.22.1 ~~4.21~~ ~~SIHPL will procure that~~ assets worth approximately ~~R8.9~~ R8.756 billion⁹ are made available for the purpose of paying the settlement consideration under this Proposal for the benefit of Contractual Claimants, ~~as summarised in more detail below. As also summarised further below, SIHNV will make available certain of its (rather than SIHPL's) assets for the purpose of paying, among other things, the settlement consideration under this Proposal to SIHPL Market Purchase Claimants.~~ save for BVI and Cronje et al;

^{4z} Section 155(3)(a)(ii): List of creditors and the nature thereof.

^{5g} Section 155(3)(a)(i): List of material assets and security.

⁹ Subject to the outcome of the Mayfair Claim.



- 4.22.2 61 million PPH Shares are made available for the purpose of the settlement of the Contractual Claims of BVI and Cronje et al, as summarised in more detail below; and
- 4.22.3 assets worth approximately R3.214 billion are made available for the purpose of paying the settlement consideration under this Proposal for the benefit of SIHPL Market Purchase Claimants, and that SIHNV will, in addition to the aforementioned amounts and PPH Shares, make available certain of its (rather than SIHPL's) assets (approximately R7.546 billion worth) for the purpose of paying, among other things, further settlement consideration under this Proposal to SIHPL Market Purchase Claimants.
- 4.23 ~~4.22~~ Following the occurrence of the Proposal Settlement Effective Date, and as described further below, the residual assets of SIHPL will be subject to first, second and third ranking security, granted respectively and primarily for the benefit of Newco 2A, SIHNV and Financial Creditors/Non-Qualifying Claimants. Such security will, however, have no effect on the afore-mentioned assets ~~out~~ of SIHPL and SIHNV out of which payments to Contractual Claimants and SIHPL Market Purchase Claimants will be made should this Proposal become effective.

Financial Creditors

- 4.24 ~~4.23~~ Financial Creditors are encouraged to review the detailed terms of the Proposal with respect to the Financial Creditors, as set out below in *Part B1 – Financial Creditors* on page ~~36~~49.

The S.45 Judgment

- 4.25 Trevo and Hamilton applied to the High Court challenging both the 2014 Guarantee and the SIHPL CPU entered into by SIHPL in 2019 by way of restructuring its crystallised liability as guarantor (under both the Guarantees) on the basis that they contravened South African statutory financial assistance provisions. In its decision handed down on 2 July 2021 (the S.45 Judgment), the Court of first instance confirmed the validity of the 2014 Guarantee, but in relation to the SIHPL CPU, found that financial assistance provisions in section 45 of the Companies Act had



been breached, and held that the resolution of the SIHPL board authorising entry into the SIHPL CPU and the SIHPL CPU itself were void.

4.26 Certain Financial Creditors have taken steps to appeal the S.45 Judgment, primarily on the basis that the South African financial assistance provisions in section 45 of the Companies Act should not have been held to have been contravened in circumstances where SIHPL already owed a crystallised liability under the Guarantees in the amount of the SIHPL CPU.

4.27 In addition, the appealing Financial Creditors notified SIHPL that, in the event that their appeal of the S.45 Judgment proved to be unsuccessful, they would be entitled to the benefit of continuing debt claims or restitutionary claims against SIHPL which fall outside the scope of the S.45 Judgment. In general terms, and without limitation, they contend that SIHPL will owe an English law debt to the Financial Creditors either under the original Guarantees or on similar terms by way of restitution for unjust enrichment suffered as a result of the loss of the benefit of those Guarantees (and the resulting windfall for SIHPL) in circumstances where both they and SIHPL had intended that SIHPL would remain liable to them under the SIHPL CPU following the Financial Restructuring.

4.28 SIHPL carefully considered the S.45 Judgment and the assertions made by the Financial Creditors. SIHPL contested the application because it believed the assertions made by Trevo and Hamilton were wrong as a matter of law and that the entry into the SIHPL CPU as part of the Financial Restructuring had provided very considerable benefits to SIHPL, including the certainty that the terms of the SIHPL CPU provided. The overall net effect on SIHPL following the S.45 Judgment is that SIHPL now faces more uncertainty and potentially further claims and, in the absence of a successful appeal, a long and complicated series of multi-jurisdictional legal disputes. In all the circumstances, SIHPL concluded that it, too, should apply for leave to appeal the S.45 Judgment and believes that it has reasonable prospects of success in that appeal.

4.29 Hamilton gave notice that it would also seek leave to appeal the S.45 Judgment on the grounds that it was incorrect on the question of the validity of the 2014 Guarantee. The applications for leave to appeal are scheduled to be heard on 13 August 2021.



- 4.30 Assuming leave to appeal is granted, it is not certain how long the appeal proceedings with respect to the S.45 Judgment will take to be finalised, but it is expected to take at least several months. If the S.45 Judgment were to be upheld on appeal on the subject of financial assistance, it is expected that years of litigation would follow with respect to the alternative claims asserted by or on behalf of Financial Creditors. Such timelines fall well outside the timetable for implementation of the Steinhoff Global Settlement. In the circumstances, SIHPL is of the view that it is necessary to seek to compromise all claims of the Financial Creditors arising under, out of, or in connection with the SIHPL CPU pursuant to this Proposal.
- 4.31 In summary, conditional upon the Settlement Effective Date, any and all claims and actions of the Financial Creditors against SIHPL (whether asserted or unasserted, and whether the subject of pending proceedings and appeals or otherwise) arising under, out of or in connection with the SIHPL CPU, the convertible bonds guaranteed by SIHPL, the Guarantees or any other related matter (and whether such actions, claims or disputes lie in contract, tort, restitution, equitable subrogation, statute or otherwise and whether under English law, South African law or otherwise) ("**SIHPL Financial Creditor Liabilities**") will be fully and finally compromised by way of their waiver and release on the following terms:
- 4.31.1 no cash consideration will be payable to the Financial Creditors on the Settlement Effective Date;
- 4.31.2 SIHPL will issue a loan note in favour of the Financial Creditors in the amount and on the terms set out in Annexure J ("**S155 Settlement Note**");
- 4.31.3 Financial Creditors, in terms of the S155 Settlement Note, will have limited recourse in relation to claims under the S155 Settlement Note and solvent burial terms to permit SIHPL to be wound up on a solvent basis;
- 4.31.4 claims under the S155 Settlement Note will rank behind the Newco 2A Loan and the SIHNV Loan, and *pari passu* with all non-preferent Non-Qualifying Claims; and



4.31.5 the limited recourse claims of the Financial Creditors under the S155 Settlement Note (and the claims of the Intercompany Loan Creditors) will be subject to third ranking security granted by SIHPL (behind the first ranking Newco 2A Loan and the second ranking SIHNV Loan) with provisions to:

4.31.5.1 allow SIHPL to pay in full (if and when it becomes obliged to do so) the Disputed Contractual Claim Reserve;

4.31.5.2 require SIHPL to reserve for Non-Qualifying Claims so as to ensure that SIHPL will be able to make payments in respect of any finally determined Non-Qualifying Claims on a *pari passu* basis alongside the claims of the Financial Creditors under the S155 Settlement Note; and

4.31.5.3 permit SIHPL also to make compromise payments (subject to a limit, which may be increased with the consent of 50% of the Financial Creditors) in respect of any unadjudicated Non-Qualifying Claims.

4.32 The terms of the S155 Settlement Note are more fully described in Annexure J.

4.33 ~~4.24~~In summary~~In addition~~, the terms of this Proposal ~~with respect to SIHPL and its Financial Creditors entail~~provide for:

~~4.24.1~~ ~~certain amendments to the SIHPL CPU, including a maturity extension;~~

4.33.1 ~~4.24.2~~ the acquisition by SIHPL from Newco 2A of a further asset, namely the receivable resulting from Titan's obligation to pay Newco 2A, which will be released on the Settlement Effective Date. A new payment obligation will be issued by Titan in favour of SIHPL on the Settlement Effective Date and on the terms set out in clause ~~17.5~~ 15.5 below (the "**Titan Receivable**");

4.33.2 ~~4.24.3~~ the issuance by SIHPL of:

4.33.2.1 ~~4.24.3.1~~ the Newco 2A Loan, being consideration SIHPL has agreed to owe to Newco 2A for the sale of the Titan Receivable; and



4.33.2.2 ~~4.24.3.2~~ the SIHNV Loan, being consideration SIHPL has agreed to owe to SIHNV for its funding part of the settlement of the SIHPL Market Purchase Claimants pursuant to this Proposal;

4.33.3 as aforesaid, the grant of third-ranking security by SIHPL over its residual assets for the benefit of its Financial Creditors (ranking *pari passu* with ~~4.24.4~~ ~~the Intercompany Loan Creditors and the finally determined~~ claims of Non-Qualifying Claimants and behind the respective claims of Newco 2A and SIHNV in respect of the liabilities referenced above); and

4.33.4 ~~4.24.5~~ the implementation of a quarterly cash sweep at by SIHPL with effect from 31 March 2022 (subject to ~~a €5 million reserve~~ reserving requirements set out in clause 9 below) for the benefit of its residual secured creditors, including the Financial Creditors ~~;~~ and subject to the provisions described in Annexure J.

4.34 It is important to note that the amendments to this Proposal made following SIHNV and SIHPL's announcements of 16 July 2021 and 11 August 2021 reflect a very material increase in the settlement recoveries of SIHPL MPC Claimants under the Proposal and a corresponding reduction in the assets previously expected to be available following the Settlement Effective Date for application towards the claims of *inter alia* Financial Creditors under the S155 Settlement Note over time.

~~4.24.6~~ ~~a waiver and release of non-contractual claims by the Financial Creditors in favour of SIHPL.~~

~~4.25~~ ~~As part of a consent solicitation process conducted in October 2020 with respect to the Steinhoff Group's financial creditors, which sought permission to make certain inter-conditional amendments to the Steinhoff Finance Documents so that the Steinhoff Group would be permitted to, among other things, seek implementation of (and ultimately implement) the Steinhoff Group Settlement (the "**Consent Request**"), very significant majorities of the Financial Creditors (by number and value) have already committed their support for the proposed terms of the Steinhoff Group Settlement and agreed to take actions to support its implementation, including by voting in favour of this Proposal. At the expiry of the Consent Request,~~



~~the relevant facility agents reported that the Steinhoff Group had received the following responses from the Financial Creditors:~~

	Approval Levels	Rejection Levels	Approval Levels (disregarding those not voting)⁶
Percentage by value	88.25%	3.75%	95.92%
Total by number	74/106	3/106	74/77

4.35 The Steinhoff Group Settlement announced on 27 July 2020 obtained financial creditor approval in February 2021 with respect to the terms then applicable. Substantial majority approval had been obtained as early as October 2020, with the last outstanding approvals obtained pursuant to the UK scheme of arrangement undertaken by SIHNV in late 2020 and early 2021. A further financial creditor approval is now required for the revised offer dated 16 July 2021 and 11 August 2021. The necessary consent request has been prepared and will be launched shortly following the issue of this revised Proposal with responses expected prior to the Meeting.

Contractual Claimants:

4.36 ~~4.26~~ The Contractual Claimants are encouraged to review the detailed terms of the Proposal with respect to the Contractual Claimants, as set out below in *Part B2 – Contractual Claimants* on page ~~40~~54.

4.37 ~~4.27~~ In summary, the terms of this Proposal with respect to the Contractual Claimants entail that:

4.37.1 ~~4.27.1~~ their Contractual Claims (other than the Contractual Claims of Thibault and Wiesfam) will be settled for a total nominal amount of approximately ~~R1.5~~R1.653 billion;

⁶ ~~To the extent a creditor failed to submit a vote prior to the expiry of the Consent Request, they are contractually excluded and the values of their positions are removed from the relevant calculations.~~



[4.37.2](#) ~~4.27.2~~ the Contractual Claims of Thibault and Wiesfam will be settled for a total nominal amount of approximately ~~R7.9~~ [R7.904](#) billion (representing a proportionally lower recovery rate relative to other Contractual Claims);

[4.37.3](#) ~~4.27.3~~ subject as follows, the settlement consideration will be paid 50% in cash and 50% in shares of ~~Pepkor Holdings Limited (the Group's South African retail subsidiary, "PPH")~~ [PPH](#) at a deemed settlement price of R15.00 per share (subject to SIHPL's right, in its absolute discretion, to settle [any of](#) the settlement consideration in a greater proportion, or the full amount, in cash), and Contractual Claimants will be required to agree to lock up PPH Shares allocated to them for 180 days from the ~~Proposal~~ [Settlement](#) Effective Date; and

[4.37.4](#) ~~4.27.4~~ in respect of the Contractual Claims of BVI:

[4.37.4.1](#) ~~4.27.4.1~~ the settlement consideration will be paid entirely in the form of PPH Shares at an agreed settlement price of R13.00 per share;

[4.37.4.2](#) ~~4.27.4.2~~ the PPH Shares concerned shall be subject to a lock up restriction on the sale of those PPH Shares from the date of receipt of the PPH Shares concerned (the "**Receipt Date**", also for purposes of the provisions which follow below in respect of Cronje et al);

[4.37.4.3](#) ~~4.27.4.3~~ under the lock up restriction ~~the recipient of the PPH Shares~~ [BVI](#) shall be entitled, in respect [of](#) such PPH Shares, to sell –

[4.37.4.3.1](#) ~~4.27.4.3.1~~ after the date which is 30 days following the Receipt Date, up to ~~25~~ [50](#)% of the PPH Shares;

~~4.27.4.3.2~~ ~~after the first anniversary of the Receipt Date and up to and including the third anniversary of the Receipt Date, up to 50% of the PPH Shares (including any PPH Shares sold under clause 4.27.4.3.1); and~~



4.37.4.3.2 ~~4.27.4.3.3~~ after the third anniversary of the Receipt Date, any and all remaining PPH Shares;

4.37.4.4 SAPHL will acquire from Pepkor Trading Proprietary Limited an amount equivalent to €10 million of BVI's c. R560 million indebtedness owing to Pepkor Trading Proprietary Limited (using the ZAR/EUR FX rate applicable on the date of such acquisition) and thereafter waive any recovery in respect of such sum from BVI; and

4.37.4.5 subject to and as soon as reasonably practicable following the Settlement Effective Date, Steinhoff At Work Proprietary Limited ("SAW") will purchase all of FI Operations Proprietary Limited's shares in BVI held as at the Settlement Effective Date and will, as soon as practicable thereafter, sell these, together with any other shares held by SAW in BVI, to BVI for for R1.00;

4.37.5 ~~4.27.5~~ in respect of the Contractual Claims of Cronje et al:

4.37.5.1 ~~4.27.5.1~~ the settlement consideration will be paid entirely in the form of PPH Shares at an agreed settlement price of R13.50 per share;

4.37.5.2 ~~4.27.5.2~~ in respect of Leon Marius Lourens, Johan Daniël Wasserfall, Charl André Cronje and Johan Samuel van Rooyen (members of Cronje et al, hereafter referred to as "**Current Managers**") the PPH Shares concerned shall be subject to a lock up restriction on the sale of those PPH Shares from the Receipt Date as follows -

4.37.5.2.1 ~~4.27.5.2.1~~ under the lock up restriction the Current Managers shall be entitled, in respect of such PPH Shares, to sell –

4.37.5.2.1.1 ~~4.27.5.2.1.1~~ after the date which is 30 days following the Receipt Date, up to 25% of the PPH Shares;



4.37.5.2.1.2 ~~4.27.5.2.1.2~~ after the first anniversary of the Receipt Date and up to and including the third anniversary of the Receipt Date, up to 50% of the PPH Shares (including any PPH Shares sold under clause ~~4.27.5.2.1.1~~; 4.37.5.2.1.1); and

4.37.5.2.1.3 ~~4.27.5.2.1.3~~ after the third anniversary of the Receipt Date, any and all remaining PPH Shares;

4.37.5.3 ~~4.27.5.3~~ the lock up restrictions contemplated in clause ~~4.27.5~~ 4.37.5 will cease to apply in respect of any Current Manager with effect from the date on which he/~~she~~ goes on active retirement or leaves the employ of PPH and will be replaced by a 30 day lock up period with effect from the date on which he/~~she~~ ceases to be employed by PPH;

4.37.5.4 ~~4.27.5.4~~ in respect of Cronje et al claimants other than the Current Managers, the lock up restriction will only apply for 30 days following the Receipt Date.

~~4.28 — SIHPL estimates that approximately 348 million PPH shares (or 9.5% of the total PPH issued share capital) will be transferred to Contractual Claimants.~~

SIHPL Market Purchase Claimants:

4.38 ~~4.29~~ SIHPL Market Purchase Claimants are encouraged to review the detailed terms of the Proposal with respect to the SIHPL Market Purchase Claimants, as set out below in *Part B3 – SIHPL Market Purchase Claimants* on page ~~476~~1. It should be noted in this respect that, pursuant to the Steinhoff Group Settlement, the settlement of MPC Relevant Claims, whether they be SIHPL Market Purchase Claims under this Proposal or SIHNV Market Purchase Claims under the SIHNV Composition Plan, is proposed on the basis that the ~~compensation for~~ calculation of all such claims should be determined according to the same methodology, regardless of whether such claims derive from purchases of SIHPL Shares or SIHNV Shares ~~and, therefore, regardless of which of the estates carries a contingent liability in respect of any given claim~~. That approach brings the advantages of (i) consistency and (ii) relevant simplicity and manageability, relative to any attempt to construct different ~~settlement outcomes~~ claims calculation



methodologies for SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants. SIHPL and SIHNV also consider that the approach is fair as between SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants, for the reasons set out in detail in clause 26 of this Proposal.

4.39 The sources, and therefore quantum, of recoveries for SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants will however differ. As further described below, all Market Purchase Claimants will be entitled to recoveries from the SoP Settlement Fund, but only SIHPL Market Purchase Claimants will additionally be entitled to recoveries from the SIHPL MPC Settlement Fund.

~~4.30.1~~ ~~using claim values estimated by Analysis Group based on available data at the date of this Proposal, the average estimated settlement recovery for MPC Relevant Claims, including those of SIHPL Market Purchase Claimants, is 5.0 cents in the Rand, calculated as at 31 March 2021;⁷ and~~

4.40 ~~4.30~~ Analysis Group has assisted SIHPL and SIHNV in assessing the likely range of outcomes ~~in that respect, the details of which are set out in Annexure D for SIHPL Market Purchase Claimants under this Proposal.~~ In summary: using claim values estimated by Analysis Group based on available data, the baseline estimated settlement recovery for SIHPL Market Purchase Claimants is 15.1 cents in the Rand, calculated as at 31 August 2021 and depending on variations in Claim Values, Analysis Group conclude that settlement recovery for SIHPL Market Purchase Claimants should in any event fall between 15.1 and 23.7 ~~4.30.2~~ ~~depending on variations in Claim Values, Analysis Group conclude that settlement recovery for MPC Relevant Claims should in any event fall between 4.0 and 6.6~~ cents in the Rand.¹⁰

⁷ The recovery rate of SIHPL Market Purchase Claimants is estimated as 4.8 cents in the Rand, calculated as at 31 March 2021 (lower than the average recovery rate of all MPC Relevant Claims because of the higher interest rates in South Africa as compared to the Netherlands). The actual recovery rate of all MPC Relevant Claims will be same, as the MPC Claim Value (as defined in the Steinhoff Allocation Plan) is calculated on the basis of 5 December 2017 claim values and disregards any interest.

¹⁰ The settlement recovery for SIHNV MPC Relevant Claims of SIHNV Market Purchase Claimants is 8.6 cents in the Euro, calculated as at 31 August 2021, and depending on variations in Claim Values, Analysis Group conclude that settlement recovery for SIHNV MPC Relevant Claims should in any event fall between 7.2 and 11.6 cents in the Euro.



4.41 ~~4.31~~In summary:

4.41.1 ~~4.31.1~~ pursuant to the SIHNV Composition Plan and an agreement to be concluded between SIHNV and the SRF, SIHNV shall make available a settlement consideration in the amount of the SoP Gross Settlement Fund (i.e. ~~€370,000,000.00~~ €612,620,000.00). The SoP Gross Settlement Fund less certain costs and expenses (i.e. the SoP Settlement Fund) shall ~~be the total~~ represent settlement consideration ~~in respect of available to both~~ SIHPL Market Purchase Claimants (on behalf of SIHPL for the purposes of this Proposal) and SIHNV Market Purchase Claimants (for the purposes of the SIHNV Composition Plan), as well as the SIHNV Contractual Claimants under the SIHNV Composition Plan;

4.41.2 in addition, pursuant to this Proposal and an agreement to be concluded between SIHPL and the SRF, SIHPL shall make available further settlement consideration in the amount of the "SIHPL MPC Gross Settlement Fund", i.e. R3,213,580,773.00. The SIHPL MPC Gross Settlement Fund less certain costs and expenses (i.e. the "SIHPL MPC Settlement Fund") shall represent additional settlement consideration available solely to SIHPL Market Purchase Claimants;

4.41.3 ~~4.31.2~~this settlement consideration ~~the settlement consideration available under the Settlement Funds~~ will be paid 50% in cash and 50% in PPH Shares at a deemed settlement price of R15.00 per share as at the Settlement Effective Date, subject to the right of SIHNV and SIHPL (as applicable), at ~~its~~ their option, to settle ~~the any~~ settlement consideration in a greater proportion, or the full amount, in cash.¹¹ SIHNV ~~in its~~ and SIHPL (as applicable) in their sole discretion shall also have the option to settle ~~the any~~ settlement consideration in a greater proportion of cash for the benefit of Qualifying Ineligible Claimants. Any and all risks in connection with such an arrangement are for the account of the relevant Qualifying Ineligible Claimants, including

¹¹ Please note that the quoted value at the JSE of the PPH Shares as at the Settlement Effective Date may be less than or greater than ZAR 15 per share and that, both before and after the Settlement Effective Date, the trading value of the PPH Shares can be expected to fluctuate. No representation is made as to what the value of the PPH Shares will be at the Settlement Effective Date, at the time any PPH Shares are distributed for the benefit of the Scheme Creditors or at any other time.



risks relating to the price and execution of such arrangement. No restriction on future sales applies in respect of PPH Shares transferred to Market Purchase Claimants, including SIHPL Market Purchase Claimants. ~~SIHPL estimates that approximately 162 million PPH shares (or 4.4% of the total PPH issued share capital) will be transferred to Market Purchase Claimants pursuant to the Steinhoff Group Settlement, of which it estimates that approximately 68 million PPH shares (or 1.9% of the total PPH issued share capital) will be transferred to SIHPL Market Purchase Claimants;~~

4.41.4 ~~4.31.3~~ allocation of the settlement consideration among Market Purchase Claimants, including the treatment of any unclaimed amounts, will be determined in accordance with the valuation and allocation methodologies set out in *Part B3 - SIHPL Market Purchase Claimants* below; and

4.41.5 ~~4.31.4~~ in addition, SAHPL ~~may~~ will make a contribution of up to €30 million towards the fees of ~~certain~~ the Claimant Representatives as compensation for (i) the costs related to and associated with the efforts by those Claimant Representatives and their key role in the engagement with the Steinhoff Group with regard to participating in an initial mediation in July 2019, the negotiating, drafting and finalising of the Steinhoff Group Settlement and the engagement with their constituents, (ii) the assistance in the processing of claims under the Steinhoff Group Settlement and (iii) the costs related to and associated with the administrative support by the Claimant Representatives in the implementation of the Steinhoff Group Settlement.

Suspensive Conditions and Interconditionality with the SIHNV Composition Plan

4.42 ~~4.32~~ It is important to note that this Proposal is subject to Suspensive Conditions (as set out in clause ~~33~~ 28). One of these reflects the fact that the Proposal is being made in conjunction with, and is dependent on the success of, a proposal by SIHNV for the settlement and compromise of its litigation and financial liabilities in accordance with the terms of the SIHNV Composition Plan. As noted above, the SIHNV Composition Plan and this Proposal together comprise the Steinhoff Group Settlement and are inter-conditional and, as such, each must be approved and sanctioned ~~/~~ confirmed (as applicable) before either comes into effect.



[4.43](#) ~~4.33~~ The SIHNV Composition Plan, in summary, is the composition plan ("*ontwerpakkoord*") containing the compromise arrangement and scheme plan to be proposed by SIHNV to its creditors in accordance with the Dutch Bankruptcy Act, which can be accessed at www.SteinhoffSettlement.com. It can also be inspected free of charge at the court registry of the District Court of Amsterdam, ~~once the SoP proceedings have commenced before that court.~~

[4.44](#) ~~4.34~~ The distribution of the ~~SoP Settlement Fund (as defined above)~~ [Funds](#) is subject to the provisions of this Proposal and the SIHNV Composition Plan, with this Proposal governing distribution entitlements for SIHPL Market Purchase Claimants and the SIHNV Composition Plan governing distribution entitlements for SIHNV Market Purchase Claimants and SIHNV Contractual Claimants. In each case such distributions will be made on a consistent basis in accordance with the Steinhoff Allocation Plan.

[4.45](#) ~~4.35~~ The availability of the SoP Settlement Fund for distribution to (*inter alia*) Market Purchase Claimants (i.e. comprising both SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants) does not allow SIHPL Market Purchase Claimants to claim against SIHNV and/or to participate by voting or otherwise in the SIHNV Composition Plan, unless and to the extent that such SIHPL Market Purchase Claimants also have separate claims that constitute MPC Relevant Claims against SIHNV.

[4.46](#) ~~4.36~~ In short, although the two processes are inter-conditional, the SIHNV Composition Plan entails a process that is separate to the process contemplated in this Proposal, and voting or other participation by a Scheme Creditor in respect of this Proposal shall not constitute a vote or participation in respect of the SIHNV Composition Plan, and *vice versa*.

Liquidation Comparators: Probable Dividends in the Event of Liquidation

[4.47](#) ~~4.37~~ The failure of the Steinhoff Group Settlement would mean that SIHPL and SIHNV would remain subject to the numerous and material Litigation claims that they are currently defending. Successful outcomes for SIHPL and/or SIHNV in such Litigation can in no way be assured and, whilst no liability is admitted, there is a



potential that adverse judgments in Litigation proceedings may be granted against SIHPL and/or SIHNV by a court of first instance from the ~~latter part of 2021. In such circumstances and taking into account the financial condition of the Steinhoff Group more broadly, it is unlikely that SIHPL and SIHNV would be able to refinance their existing financial indebtedness which matures at the end of 2021~~first half of 2022. As a result, SIHPL and SIHNV could be faced with obligations to pay amounts substantially exceeding the value of their assets with no realistic prospect of satisfying or restructuring such liabilities. ~~In SIHPL's case~~Moreover, that prospect would require its the effect of the pending appeal process in respect of the S.45 Judgment may be that the finding in the S.45 Judgment is technically suspended, giving rise to a question as to whether SIHPL retains financial indebtedness (in the form of the SIHPL CPU) that matures at the end of this year. In any event, a successful appeal of the S.45 Judgment would confirm the existence of that debt unequivocally in circumstances where it can be expected to have matured without having been paid. Such circumstances would require SIHPL's directors to reassess the going concern scenario and would be likely to cause them to conclude that they should file for the liquidation of SIHPL. In this respect:

- 4.47.1 ~~4.37.1~~ as outlined further in clause ~~29~~24, filing for liquidation would inevitably trigger a forced realisation of SIHPL investments in its affiliates in circumstances where distributions to creditors would be very materially delayed by, among other things, the need to resolve the Litigation, which is likely to take years to be finally resolved due to the complex nature of the claims and the risk of appeal proceedings in that respect; and
- 4.47.2 ~~4.37.2~~ in any event, the value or potential value of claims in respect of financial debt and potential value of contingent Litigation claims (whether or not they are taken at claimed value, or estimated on the basis of methodology of SIHPL and its advisers as described in clause ~~49~~16) exceed the value of the assets of SIHPL (please refer to the ~~liquidation comparators~~ Liquidation Comparators prepared by the Analysis Group attached at Annexure D (*Liquidation Comparators*)).
- 4.48 ~~4.38~~ The Two primary Liquidation Comparators have been prepared, namely the "Universal Comparator", and the "Limited Comparator", each of which has two variants. Based on these two Liquidation Comparators, the probable dividend for



admitted concurrent creditors in the event of a liquidation of SIHPL is between ~~14.8~~ 19.6 and ~~25.8~~ 35.1 cents in the Rand depending on, amongst other things, the success or otherwise of the Litigation claims of the SIHPL Market Purchase Claimants.⁸¹² Further details on the Liquidation Comparators, the relevant assumptions and a greater explanation of the scenarios resulting in the range of probable dividends in the event of a liquidation are set out in clause ~~29~~ 24 below.

4.49 A third set of Liquidation Comparators (namely, the "Alternate Comparators") has also been prepared following the S.45 Judgment. The Alternate Comparators reflect the returns that might be received in both variants of the Universal Comparators and the Limited Comparators (as defined in clause 24), should the Financial Creditors' claims be removed from the calculations. The Alternate Comparators are provided only for the sake of completeness. This is because, for the reasons set out in clauses 4.25 to 4.30 of this Proposal, SIHPL does not believe that the Alternate Comparators are at all likely to reflect the reality of SIHPL's position, in light of the pending appeals of the S.45 Judgment and the various claims that the Financial Creditors could assert against SIHPL even if those appeals were to fail.

Benefits of this Proposal

4.50 ~~4.39~~ The Liquidation Comparators at Annexure D show the anticipated returns that Scheme Creditors ~~would be at material risk of recovering less on their respective claims if~~ might receive should this Proposal ~~should~~ fail and should SIHPL ~~should~~ enter liquidation proceedings. ~~Moreover~~ However, if this Proposal is successfully implemented, it will ~~in any event~~ provide the following benefits:

4.50.1 ~~4.39.1~~ for ~~Contractual Claimants and SIHPL Market Purchase Claimants~~ all Scheme Creditors, greater certainty as compared to pursuing Litigation against SIHPL and/or seeking to prove claims against SIHPL in a liquidation, including avoiding significant legal costs;

4.50.2 ~~4.39.2~~ for Financial Creditors, greater certainty as to SIHPL's financial position as a result of the settlement by payment of Contractual Claims and claims of

⁸¹² Section 155(3)(a)(iii): Probable dividend in the event of SIHPL's liquidation.



SIHPL Market Purchase Claimants, and ~~enhanced rights (including security)~~ in respect of their own claims;

4.50.3 ~~4.39.3~~ for all Scheme Creditors, the receipt of value on a timescale likely to be ~~very~~ materially shorter than would be the case if SIHPL were to be placed in liquidation; and

4.50.4 ~~4.39.4~~ for all Scheme Creditors, the ability for SIHPL to avoid liquidation costs and, therefore, increase the monetary sum that is available for distribution to Scheme Creditors.

4.51 ~~4.40~~ The benefits of this Proposal for all Scheme Creditors, as well as the benefits to each Class of Scheme Creditors, are set out in greater detail in clause ~~31-26~~ below.



PART B – PROPOSALS

5 ASSETS AVAILABLE FOR THIS PROPOSAL

5.1 Assets worth approximately ~~R10.8~~ R13.210 billion will be made available in order to settle the claims of Contractual Claimants and SIHPL Market Purchase Claimants under the terms of this Proposal.⁹¹³ A list of the relevant assets is set out in Annexure B but, in summary, such assets will be comprised of¹⁰¹⁴:

5.1.1 ~~assets valued at approximately R8.9 billion,¹¹ comprising cash of R4.3 billion and PPH Shares with a settlement value of approximately R4.6 billion, R8.756 billion¹⁵ which~~ will be made available by SIHPL for the purposes of the settlement of the Contractual ~~Claims~~ Claimants (excluding BVI and Cronje et al), each of whose Contractual Claims will be Settled by way of payment and/or transfer to them of such value in the form of cash and PPH Shares (as recorded in ~~Part I. to Part VI. the relevant parts~~ of Annexure F); ~~and~~

5.1.2 ~~approximately 61 million PPH Shares which will be made available by SIHPL for the purposes of the settlement of the Contractual Claims of BVI and Cronje et al; and~~

5.1.3 ~~assets valued at approximately R3.214 billion which will be made available by SIHPL for the purposes of the settlement of the SIHPL Market Purchase Claims, each of which will be Settled by way of payment and/or transfer to them of their portion of the SIHPL MPC Settlement Fund.~~

5.2 ~~5.1.2 assets valued at approximately R4.6 billion, comprising cash of R2.4 billion and PPH Shares with a settlement value of~~ In addition, assets valued at approximately ~~R2.2~~ R7.546 billion will be made available by SIHNV for the purposes of the settlement of MPC Relevant Claims, including those of SIHPL Market Purchase Claimants, each of which will be Settled by way of payment and/or transfer to them of their portion of the SoP Settlement Fund. ~~It is estimated that~~

⁹¹³ Section 155(3)(b)(iv): SIHPL's property that is proposed to be available in terms of this Proposal.

¹⁰¹⁴ Based on EUR/ZAR FX rate of ~~18.1841~~ 17.0906 and PPH spot price of ZAR ~~13.31~~ 20.28 (14-Jan-2021 close).

¹¹ ~~Subject to the outcome of the Mayfair Claim.~~

¹⁵ Subject to the outcome of the Mayfair Claim.



~~approximately R1.0 billion of cash and R0.9 billion worth of PPH shares will be allocated to the SIHPL Market Purchase Claimants.~~

- 5.3 ~~5.2~~ SIHPL ~~SIHPL~~ will ~~remain~~ be obliged to satisfy its settlement obligations owing to the Financial Creditors ~~under~~ on and in accordance with the terms of ~~the Amended SIHPL CPU. The Financial Creditors will, subject to this Proposal.~~ Subject to (i) the Disputed Contractual Claim Reserve, (ii) prior-ranking claims created by the settlement in favour of Newco 2A and SIHNV, and (iii) equal-ranking claims in respect of Intercompany Loan Claims and any Non-Qualifying Claims that are established, the Financial Creditors will have recourse to SIHPL's residual assets over time on a limited recourse basis (as set out in more detail below).
- 5.4 ~~5.3~~ SIHPL shall remain obliged to satisfy its obligations to the Intercompany Loan Creditors in respect of the Intercompany Loan Claims, which as noted above will rank *pari passu* with the secured claims of Financial Creditors and any Non-Qualifying Claims that are established.
- 5.5 ~~5.4~~ Fees for advisors, and fees for ~~SIHPL~~ directors, will not be deducted from the assets and property made available for distribution to ~~the Scheme Creditors by SIHPL or SIHNV~~ Contractual Claimants and SIHPL Market Purchase Claimants, but such amounts will be payable by SIHPL following the Settlement Effective Date out of its assets ahead of any payments to Financial Creditors or in respect of Non-Qualifying Claims.
- 5.6 ~~5.5~~ There is no preference in the order of which the Contractual Claimants or the SIHPL Market Purchase Claimants will receive their settlement consideration and, in any event and as described above, separate pools of assets are made available as settlement consideration for each of these Classes of Scheme Creditors. As a result, however, of the claim verification process required in respect of MPC Relevant Claims, it is envisaged that distributions to SIHPL Market Purchase Claimants will occur later in time than distributions to Contractual Claimants.⁴²¹⁶

⁴²¹⁶ Section 155(3)(b)(iii): the order of preference of settlement.



6 TREATMENT OF CLASSES

- 6.1 As outlined in clause 4.8 above, this Proposal offers differing terms for Financial Creditors, Contractual Claimants and SIHPL Market Purchase Claimants due to differences in the legal characteristics, nature and quality of their respective claims against SIHPL. Specifically, this Proposal seeks to compromise:
- 6.1.1 ~~SIHPL's financial obligations, which it owes~~ any and all liabilities owed by SIHPL to the Financial Creditors (including any such liabilities arising under, out of or in connection with the SIHPL CPU and/or the Guarantees), in accordance with the terms set out in *Part B1 – Financial Creditors* below. ~~Such treatment is justified on the basis that Financial Creditors have undisputed contractual claims against SIHPL, pursuant to the SIHPL CPU, a debt instrument. Both the fact and amount of SIHPL's liability in that respect are certain;~~ and
- 6.1.2 the disputed and not legally established obligations alleged to be owed respectively by SIHPL to the Contractual Claimants and the SIHPL Market Purchase Claimants. As set out in *Part B2 – Contractual Claimants* and *Part B3 – SIHPL Market Purchase Claimants* below, the Proposal treats these two different classes separately and distinctly due to important differences between them, as discussed in detail below.
- 6.2 Contractual Claimants have a special factual relationship with SIHPL, established as a result of having contracted with SIHPL on an arms-length negotiated basis in respect of contractual arrangements under which shares in other enterprises were sold or transferred by such claimants or their related parties to SIHPL. In contrast, SIHPL Market Purchase Claimants do not have any such special factual relationship with SIHPL.
- 6.3 Due to the lack of any such special factual relationship, and as iterated in the recent judgment of the South Gauteng Division of the High Court of South Africa in *De Bruyn*⁴³¹⁷ (as discussed in further detail below), the claims of the SIHPL Market

⁴³¹⁷ *De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020).



Purchase Claimants have ~~significant~~additional legal difficulties to overcome relative to those of Contractual Claimants.

6.4 On that basis, this Proposal offers SIHPL Market Purchase Claimants consideration which reflects a fair and equitable compromise between the possible scenarios that could ensue if SIHPL were to be liquidated, namely:

6.4.1 a scenario (considered to be likely by SIHPL) in which SIHPL Market Purchase Claimants' claims are held to be wholly inadmissible, in which case they would receive no dividend at all (and therefore fare materially worse than under this Proposal); or

6.4.2 a scenario (considered ~~to be unlikely~~ by SIHPL to be contrary to De Bruyn¹⁸) in which SIHPL Market Purchase Claimants' claims are held to be admissible, in which case, and subject to proof of their quantum in each case, they ~~would be likely to~~may or may not fare better than under this Proposal.

6.5 Details of the Liquidation Comparators, showing the different relative treatments of the Classes of Scheme Creditors and the scenarios resulting in the range of probable dividends, in the event of a liquidation, are set out in *Part B5 – Liquidation Comparators and Benefits of this Proposal* commencing on page ~~83~~102 below.

6.6 At clause ~~31~~26 are explanations of the benefits of this Proposal to all Scheme Creditors generally, as well as the benefits to each of the Classes of Scheme Creditors relative to the likely counterfactual of liquidation.

¹⁸ [De Bruyn v Steinhoff International Holdings N.V. and Others \(29290/2018\) \[2020\] ZAGPJHC 145 \(26 June 2020\).](#)



~~7~~ PART B1 – FINANCIAL CREDITORS

This section describes the terms of this Proposal as they relate to the Financial Creditors and how the Proposal will impact their recoveries in the event it becomes effective.

~~8~~ DISTRIBUTIONS

~~8.1~~ The Financial Creditors will not be eligible to receive any immediate distribution under this Proposal in respect of ~~their claims under~~ the SIHPL ~~CPU~~ Financial Creditor Liabilities but, instead, will ~~retain~~ have certain ~~contractual~~ rights against SIHPL pursuant to the terms and conditions ~~of the Amended SIHPL CPU~~ recorded herein (as set out below including pursuant to the S155 Settlement Note), which shall become effective on the ~~Proposal~~ Settlement Effective Date.

~~8.2~~ This Proposal ~~does not seek any releases from the payment of debts owed by it to its Financial Creditors, but does provide~~ provides that the recourse of Financial Creditors ~~under the Amended SIHPL CPU in respect of their claims arising under, out of or in connection with the SIHPL Financial Creditor Liabilities~~ will be limited to the available assets of SIHPL over which they (together with certain other creditors) are to receive the benefit of security.⁴⁴¹⁹

~~9~~ AMENDMENTS TO THE SIHPL CPU

~~7.3~~ The attention of Financial Creditors is drawn to:

~~7.3.1~~ the fact that the amendments to this Proposal made following SIHNV and SIHPL's announcements of 16 July 2021 and 11 August 2021 reflect a very material increase in the settlement recoveries of SIHPL MPC Claimants under the Proposal and a corresponding reduction in the assets previously expected to be available following the Settlement Effective Date for application towards the claims of *inter alia* Financial Creditors under the S155 Settlement Note over time;

⁴⁴¹⁹ Section 155(3)(b)(ii): release of SIHPL from the payment of debts.



7.3.2 the fact that the Financial Creditors' recovery under this Proposal bears the risk to the extent that the Mayfair Claim and/or any of the Non-Qualifying Claims are successful; and

7.3.3 the addition of the disputed Trevo claim to the Non-Qualifying Claims category.

8 TERMS OF SETTLEMENT OF CLAIMS OF FINANCIAL CREDITORS

8.1 ~~9.1~~~~The amendments to the SIHPL CPU~~The rights granted to the Financial Creditors by way of compromise of their claims in respect of the SIHPL Financial Creditor Liabilities, and the terms on which security is to be granted in respect of~~the same~~such rights, are part of the package of amendments, waivers and releases which ~~were~~will be sought by the Group from its creditors pursuant to ~~the Consent Request~~a consent request to facilitate implementation of the Steinhoff Group Settlement (as further described in clause ~~4.24~~4.35 above).

~~9.2~~ ~~Under the Consent Request:~~

~~9.2.1~~ ~~there is a mechanism for the final form documents in these respects to be approved by the relevant agent acting on the instructions of the Simple Majority Settlement Creditors (as defined in the Consent Request); and~~

~~9.2.2~~ ~~it is a condition to the effectiveness of the relevant amendments, waivers and releases that, amongst other things, the Steinhoff Group Settlement becomes effective prior to the long stop date set out in the Consent Request, being 30 September 2021, unless such date is extended in accordance with the terms of the Consent Request.~~

~~9.3~~ ~~The proposed amendments to the SIHPL CPU are as follows:~~

8.2 The proposed terms of settlement of the claims of the Financial Creditors arising under, out of or in connection with the SIHPL CPU provide that on the Settlement Effective Date, the S155 Settlement Note shall be issued to Financial Creditors, the terms of which are set out in Annexure J and include:

8.2.1 zero coupon;

8.2.2 ~~9.3.1~~extension of the final maturity date to the a final maturity date that is 6 months after the maturity date of the Titan Receivable (approximately 5 years,



6 months and a day from when the Steinhoff Group Settlement becomes effective), upon and subject to the ~~Proposal Effective Date~~;

~~9.3.2~~ ~~provision for an interim debt extension for up to 12 months in circumstances in which SIHNV has commenced Dutch proceedings and the extension is approved by lenders who benefit from Guarantee Commitments (as defined in clause 10 (Permitted Settlement) of the Umbrella Agreement) that aggregate more than 50% of the aggregate of all Guarantee Commitments;~~

~~9.3.3~~ ~~amendment to governance arrangements, such that creditor nominated directors are appointed to certain members of the Steinhoff Group, upon and subject to the Proposal Settlement Effective Date; and~~

~~8.2.3~~ ~~9.3.4~~ ~~amendments to provide~~ that the debt will be secured but also limited recourse.

9 ~~10~~ **RESERVES AND QUARTERLY CASH SWEEP**

~~10.1~~ ~~Following the Proposal Effective Date and the settlement of Contractual Claims, SIHPL will be entitled to the benefit of quarterly cash sweeps from SIH and the South African Sub-Group to be applied in discharge of the outstanding SIH Receivable (approximately R17.7 billion before the settlement funds are made available to SIHPL).~~

9.1 Subject to the Settlement Effective Date, and without any impact on the settlement consideration to be paid in respect of Contractual Claims and SIHPL Market Purchase Claims, SIHPL will, from 31 March 2022, be subject to a conditional cash sweep regime. The surplus cash is measured by reference to available cash at SIH and the South African Sub-Group.

9.2 ~~10.2~~ Such cash sweep is subject to retaining a South African Sub-Group aggregate balance of at least €50million, plus a reserve for SIH preference dividends to be paid to the SIH preference shareholders. The proceeds of the cash sweep will be applied for the benefit of SIHPL and its residual creditors, including the Financial Creditors ~~under Amended SIHPL CPU~~ and the Intercompany Loan Creditors, in accordance with their ranking following the ~~Proposal Settlement~~ Effective Date, subject to (i) SIHPL retaining a balance of at least €5million at all times out of which



ongoing fees and expenses may be paid and (ii) SIHPL setting aside the Disputed Contractual Claim Reserve and making reserve for Non-Qualifying Claims.

9.3 For further details in this regard, see the terms of the S155 Settlement Note contained in Annexure J.

10 ~~11~~ **ADDITIONAL ASSET**

10.1 ~~11.1~~ As part of the arrangements put in place with the Titan Claimants, SIHPL shall acquire the Titan Receivable from Newco 2A (as further described in clause ~~17.5~~ 15.5) for deferred consideration in the form of the Newco 2A Loan, as described below.

11 ~~12~~ **OTHER NEW LIABILITIES IN THE FORM OF LOAN NOTES**

Newco 2A Loan

11.1 ~~12.1~~ This is a loan agreement to be entered into between SIHPL and Newco 2A, which sets out the terms and conditions pertaining to the payment by SIHPL of the deferred consideration payable by it for the acquisition from Newco 2A of the Titan Receivable.

11.2 ~~12.2~~ The repayment terms of the Newco 2A Loan include a zero coupon, a repayment date being the final maturity date of 6 months after the Titan Receivable final maturity date, quarterly cash sweeps at SIHPL (as described above) and limited recourse to the available assets of SIHPL and a solvent winding up of SIHPL.

SIHNV Loan

11.3 ~~12.3~~ This is a loan agreement to be entered into between SIHPL and SIHNV, which sets out the terms and conditions pertaining to the payment by SIHPL of the consideration payable by it to SIHNV for the settlement by SIHNV of the SIHPL Market Purchase Claimants' claims on SIHPL's behalf. The principal amount under such agreement will ~~not exceed €100,000,000.00~~ be €164,000,000.00.



11.4 ~~12.4~~ The repayment terms of the SIHNV Loan include a zero coupon, a repayment date being the final maturity date of 6 months after the Titan Receivable final maturity date, quarterly cash sweeps at SIHPL (as described above) and limited recourse to the available assets of SIHPL and a solvent winding up of SIHPL.

12 ~~13~~ SECURITY

12.1 ~~13.1~~ SIHPL will grant the benefit of security over its assets to its creditors, reflecting the following priority (after accounting for the Disputed Contractual Claim Reserve): (i) the NewCo 2A Loan; (ii) the SIHNV Loan; and (iii) ~~the Amended SIHPL CPU (and certain other residual creditors)~~ on a *pari passu* basis the claims of the Financial Creditors, Intercompany Loan Claims and Non-Qualifying Claims. The "Security Assets" are those set out in Annexure J.

12.2 ~~13.2~~ As security for its obligations ~~under~~ :

12.2.1 ~~13.2.1~~ under the Newco 2A Loan, SIHPL will cede (*in securitatem debiti*), on a **first-ranking basis**, all of its rights, title and interest in and to ~~(i) its bank accounts and (ii) all claims and other debts of whatsoever nature, present and future, due and to become due to it, from any persons whatsoever and from any causes of action whatsoever ("the Security Assets")~~ subject to arrangements in respect of any preferent Non-Qualifying Claims that are finally determined to be due by a court of competent jurisdiction or alternative dispute resolution procedure or agreed by SIHPL;

12.2.2 ~~13.2.2~~ under the SIHNV Loan, SIHPL will cede (*in securitatem debiti*), on a **second-ranking basis** (having regard the security granted by SIHPL for the Newco 2A Loan), all of its rights, title and interest in and to the Security Assets, again subject to arrangements in respect of any preferent Non-Qualifying Claims that are finally determined to be due by a court of competent jurisdiction or alternative dispute resolution procedure or agreed by SIHPL; and

12.2.3 ~~13.2.3~~ the Amended SIHPL CPU on a *pari passu* basis, owing to the Financial Creditors under the S155 Settlement Note and non-preferent Non-Qualifying Claimants that are finally determined to be due by a court of competent



jurisdiction or alternative dispute resolution procedure or agreed by SIHPL, SIHPL will cede (*in securitatem debiti*), on a **third-ranking basis** (having regard the security granted by SIHPL for the Newco 2A Loan and SIHNV Loan), all of its rights, title and interest in and to the Security Assets, subject to arrangements in respect of ~~pari passu Non-Qualifying Claimants that are finally determined to be due by a court of competent jurisdiction or alternative dispute resolution procedure or agreed by SIHPL~~ Intercompany Loan Claims.



~~14~~ PART B2 – CONTRACTUAL CLAIMANTS

This section describes the terms of this Proposal as they relate to the Contractual Claimants in the event this Proposal becomes effective.

13 ~~15~~ CONTRACTUAL CLAIMS VALUATION METHODOLOGY

13.1 ~~15.1~~ For the purposes of the Proposal, each of the Contractual Claimants' claims is valued according to a methodology which takes into account both the precise nature of the relevant claim and a set of universal factors common to such claims (the "**Contractual Claims Valuation Methodology**"), including, *inter alia*:

13.1.1 ~~15.1.1~~ when SIHPL Shares were acquired and when such shares (or SIHNV Shares received in exchange for them pursuant to the Scheme of Arrangement) were sold; and

13.1.2 ~~15.1.2~~ the price attributed to those shares and the benefits received in respect of those shares, including an estimate of the residual value of such SIHNV Shares as remained held by the Contractual Claimants at close of business on ~~05~~5 December 2017.

13.2 ~~15.2~~ The precise methodology applied to Contractual Claimants depends on whether they assert:

13.2.1 ~~15.2.1~~ "Rescissionary Contractual Claims", i.e. they seek, as primary relief, rescissionary relief in respect of the relevant contract; or

13.2.2 ~~15.2.2~~ "Damages Contractual Claims", i.e. they seek, as primary relief, delictual damages,

with the resulting computations of the values of each Contractual Claimant being set out in separate annexures hereto (marked Part I. to Part VI. of Annexure F), it being recorded for the avoidance of doubt that both methodologies would ultimately provide the same valuation regardless of the primary relief sought.



14 ~~16~~ SETTLEMENT TERMS FOR CONTRACTUAL CLAIMANTS

14.1 ~~16.1~~ Verified Contractual Claims (other than claims by Thibault and Wiesfam) will be settled for a total nominal amount of, at least, approximately ~~R1.5~~ R1.491 billion, allocated in accordance with their respective claim amounts determined under the Contractual Claims Valuation Methodology and reflecting a recovery rate of ~~29.3~~ 28.7% on such claim amounts.

14.2 ~~16.2~~ Contractual Claims of Thibault and Wiesfam will, as described further below, be settled for a total nominal amount of approximately ~~R7.9~~ R7.904 billion, representing a proportionally lower recovery rate (relative to other Contractual Claims) of ~~18.7~~ 18.3% on their collective claim amounts determined under the Contractual Claims Valuation Methodology.

14.3 ~~16.3~~ Subject as follows, the settlement consideration will be paid 50% in cash and 50% in PPH Shares at a deemed settlement price of R15.00 per share (subject to SIHPL's right, in its absolute discretion, to settle ~~the~~ any settlement consideration in a greater proportion, or the full amount, in cash) and Contractual Claimants will be required to agree to lock up PPH Shares allocated to them for 180 days from the ~~Proposal~~ Settlement Effective Date.

14.4 ~~16.4~~ In respect of the Contractual Claims of BVI:

14.4.1 ~~16.4.1~~ the settlement consideration will be paid entirely in the form of PPH Shares at an agreed settlement price of R13.00 per share;

14.4.2 ~~16.4.2~~ the PPH Shares concerned shall be subject to a lock up restriction on the sale of those PPH Shares from the ~~date of receipt of the PPH Shares concerned (the " Receipt Date", also for purposes of the provisions which follow below in respect of Cronje et al);~~

14.4.3 ~~16.4.3~~ under the lock up restriction ~~the recipient of the PPH Shares~~ BVI shall be entitled, in respect such PPH Shares, to sell –

14.4.3.1 ~~16.4.3.1~~ after the date which is 30 days following the Receipt Date, up to ~~25~~ 50% of the PPH Shares;



~~16.4.3.2~~ after the first anniversary of the Receipt Date and up to and including the third anniversary of the Receipt Date, up to 50% of the PPH Shares (including any PPH Shares sold under clause 16.4.3.1); and

14.4.3.2 ~~16.4.3.3~~ after the third anniversary of the Receipt Date, any and all remaining PPH Shares;

14.4.3.3 SAPHL will acquire from Pepkor Trading Proprietary Limited an amount equivalent to €10 million of BVI's c. R560 million indebtedness owing to Pepkor Trading Proprietary Limited (using the ZAR/EUR FX rate applicable on the date of such acquisition) and thereafter waive any recovery in respect of such sum from BVI; and

14.4.3.4 subject to and as soon as reasonably practicable following the Settlement Effective Date, SAW will purchase all of FI Operations Proprietary Limited's shares in BVI held as at the Settlement Effective Date and will, as soon as practicable thereafter, sell these, together with any other shares held by SAW in BVI, to BVI for R1.00.

14.5 ~~16.5~~ In respect of the Contractual Claims of Cronje et al:

14.5.1 ~~16.5.1~~ the settlement consideration will be paid entirely in the form of PPH Shares at an agreed settlement price of R13.50 per share;

14.5.2 ~~16.5.2~~ in respect of Leon Marius Lourens, Johan Daniël Wasserfall, Charl André Cronje and Johan Samuel van Rooyen (members of Cronje et al, hereafter referred to as "**Current Managers**") the PPH Shares concerned shall be subject to a lock up restriction on the sale of those PPH Shares from the Receipt Date as follows ~~—~~

14.5.2.1 ~~16.5.2.1~~ under the lock up restriction the Current Managers shall be entitled, in respect of such PPH Shares, to sell –

14.5.2.1.1 ~~16.5.2.1.1~~ after the date which is 30 days following the Receipt Date, up to 25% of the PPH Shares;



14.5.2.1.2 ~~16.5.2.1.2~~ after the first anniversary of the Receipt Date and up to and including the third anniversary of the Receipt Date, up to 50% of the PPH Shares (including any PPH Shares sold under clause ~~16.5.2.1.1~~ 14.5.2.1.1); and

14.5.2.1.3 ~~16.5.2.1.3~~ after the third anniversary of the Receipt Date, any and all remaining PPH Shares;

14.5.3 ~~16.5.3~~ the lock up restrictions contemplated in clause ~~16.5.2~~ 14.5.2 will cease to apply in respect of any Current Manager with effect from the date on which he/~~she~~ goes on active retirement or leaves the employ of PPH and will be replaced by a 30 day lock up period with effect from the date on which he/~~she~~ ceases to be employed by PPH;

14.5.4 ~~16.5.4~~ in respect of Cronje et al claimants other than the Current Managers, the lock up restriction will only apply for 30 days following the Receipt Date.

14.6 ~~16.6~~ As soon as practicable after the ~~Proposal~~ Settlement Effective Date:

14.6.1 ~~16.6.1~~ SIHPL shall pay the cash portions payable to each Contractual Claimant and Titan as set out in clause 14; and

14.6.2 ~~16.6.2~~ where applicable, Ainsley will transfer ~~approximately 348 million~~ PPH Shares directly to the Contractual Claimants and Titan in their pro rata shares, pursuant to SIHPL's obligation to deliver such PPH Shares to such Contractual Claimants and Titan under this Proposal.

14.7 ~~16.7~~ Upon the ~~Proposal~~ Settlement Effective Date, any and all claims of the Contractual Claimants of whatsoever nature, and however and whenever arising, whether related to or based upon the Events or otherwise, and whether held/asserted now, or in the future, against SIHPL will be treated as having been fully and finally settled in consideration for the payments of cash and/or transfers of PPH Shares to be effected in accordance with this Proposal.



Disputed Contractual Claim

Mayfair

14.8 ~~16.8~~ Mayfair's particulars of claim filed under the Mayfair Claim allege that –

14.8.1 ~~16.8.1~~ Mr Jooste, as the chief executive officer of SIHPL, caused SIHPL to conclude the share swap transaction with Mayfair;

14.8.2 ~~16.8.2~~ Mr Jooste, as a director of Mayfair, voted in favour of, or alternatively agreed to, the conclusion of the share swap transaction by Mayfair in the circumstances pleaded in the Mayfair Claim;

14.8.3 ~~16.8.3~~ Mr Potgieter, as a director of Mayfair, was induced to vote in favour of, alternatively agree to, the conclusion of the share swap transaction by Mayfair, by representations made to Mayfair –

14.8.3.1 ~~16.8.3.1~~ by Mr Jooste that the share swap transaction was in the best interests of Mayfair;

14.8.3.2 ~~16.8.3.2~~ by Mr Jooste and SIHPL regarding *inter alia* the fact that SIHPL's financial statements were an accurate and fair reflection of SIHPL's financial affairs.

14.9 ~~16.9~~ Accordingly, with regard to the fact that Mr Jooste represented both parties to the share swap transaction and to the allegations set out in clause ~~16.8~~14.8, as well as taking into account the role that Mr Jooste played in relation to the Events, the Mayfair Claim, which constitutes a Contractual Claim and accordingly means that Mayfair is a Contractual Claimant under this Proposal, is disputed.

14.10 ~~16.10~~ In this regard –

14.10.1 ~~16.10.1~~ Mayfair is a contingent Scheme Creditor;

14.10.2 ~~16.10.2~~ Mayfair will be entitled to participate in the Meeting and vote in respect of its disputed Contractual Claim, ~~and for this purpose Mayfair will be entitled~~



~~to exercise one vote having regard to the fact that the whole of Mayfair's Contractual Claim is being disputed;~~

~~16.10.3 the actual amount which Mayfair will recover, if any, will be 29.3c/Rand of the total amount awarded by the Court in determining the Mayfair Claim;~~

14.10.3 ~~16.10.4~~ in the event that this Proposal is Adopted, SIHPL shall reserve an amount to be paid to Mayfair, on the basis of and calculated in accordance with the Contractual Claims Valuation Methodology, in the event that Mayfair is ultimately successful with the Mayfair Claim (the Disputed Contractual Claim Reserve);¹⁵²⁰

14.10.4 ~~16.10.5~~ if Mayfair is successful with the Mayfair Claim in a court of last instance (i.e. judgment is final in effect and not subject to any further appeal, review, etc.), SIHPL shall make payment ~~of this amount~~ to Mayfair of the Disputed Contractual Claim Reserve, regardless of any order made in respect of the Mayfair Claim; and

14.10.5 ~~16.10.6~~ if Mayfair is unsuccessful with the Mayfair Claim and provided judgment in that matter is final in effect and not subject to any further appeal, review, etc., Mayfair shall not be entitled to receive any payments from SIHPL, notwithstanding that it is a Contractual Claimant under this Proposal.

15 ~~17~~ ADDITIONAL TERMS WITH RESPECT TO THE TITAN CLAIMANTS' CLAIMS

15.1 ~~17.1~~ The value of the Titan Claimants' claims as calculated in accordance with, as applicable, the Contractual Claims Valuation Methodology (as set out in clause ~~15~~13) and the MPC Valuation Methodology (as set out in clause ~~19~~16, below) is as follows:¹⁶²¹

15.1.1 ~~R41,728~~ R42,663 million (approximately ~~€2,295~~ €2,496 million) in respect of the Thibault Claims which are Contractual Claims and ~~17.1.1~~ R86

¹⁵²⁰ Based on the information currently available to it, SIHPL estimates that such reserve should not exceed ~~R123.6~~ R162.2 million (being ~~29.3~~28.7% of ~~R422~~ R565.8 million, the estimated claim value as of 31 August 2021 calculated by Analysis Group).

¹⁶²¹ For purposes of the remainder of clause ~~17.1~~ 15.1 and clause ~~17.2~~ 15.2, all amounts are based on an estimated forward EUR/ZAR FX rate of ~~18.1841~~ 17.0906 for 31 ~~March~~ August 2021 as of ~~31 December~~ 30 June 2020.



R95 million (approximately €~~5~~.5 million) in respect of the Thibault Claims which are MPC Relevant Claims;

15.1.2 ~~R520~~R532 million (approximately €~~29~~€31 million) in respect of the Wiesfam Claims which are Contractual Claims and ~~17.1.2~~R134 ~~—~~R137 million (approximately €~~7~~€8 million) in respect of the Wiesfam Claims which are MPC Relevant Claims; and

15.1.3 ~~17.1.3~~R103R98 million (approximately €6 million) in respect of the Titan MPC Claims.

15.2 ~~17.2~~As noted above, the The nominal value of the settlement offered to the Titan Claimants in full and final settlement of the Titan Claimants' Claims is an aggregate amount of the ~~R7.9~~R7.904 billion (approximately €~~435~~€462 million). When applied solely to the Titan Claimants' Contractual Claims this reflects a recovery rate of ~~18.7~~18.3%, which is a lesser rate of recovery than the ~~29.3~~28.7% rate of recovery offered to the Contractual Claimants in respect of other Contractual Claims.

15.3 ~~17.3~~ Furthermore, any Titan Claims constituting an MPC Relevant Claim shall be waived by the Titan Claimants for no additional consideration (i.e. there will be no consideration paid to the Titan Claimants in respect of any Titan Claims constituting an MPC Relevant Claim), reflecting less than the estimated range of rate of recovery offered to SIHPL Market Purchase Claimants in respect of the MPC Relevant Claims.

15.4 ~~17.4~~ In this respect it is recorded that the Titan Claimants agree, by voting in favour of this Proposal at the Meeting, to such lesser rate of recovery as compared to that offered to the other Scheme Creditors.

15.5 ~~17.5~~ In addition, Titan originally owed (although this is disputed by Titan) an amount of €200,000,000~~-.00~~ to SFH, which was assigned to Newco 2A as part of the Financial Restructuring. As part of the settlement arrangements with the Titan Claimants:

15.5.1 ~~17.5.1~~ the amount owing by Titan to Newco 2A will be acquired by SIHPL for consideration constituting the NewCo 2A Loan;



15.5.2 ~~17.5.2~~ the amount owing by Titan to Newco 2A will be released and the Titan Receivable will be issued such that it carries a coupon of 5.04% PIK per annum and has a repayment date of 5 years from the ~~Proposal~~ Settlement Effective Date; and

15.5.3 ~~17.5.3~~ Titan will grant a security package to SIHPL in support of the Titan Receivable as so amended.



~~18~~PART B3 – SIHPL MARKET PURCHASE CLAIMANTS

~~16~~ ~~19~~MPC VALUATION METHODOLOGY

~~16.1~~ ~~19.1~~The alleged claims of each of the SIHPL Market Purchase Claimants have been ascribed values solely for purposes of settlement under and in terms of this Proposal, in accordance with a methodology developed for the estimation of all MPC Relevant Claims (the "**MPC Valuation Methodology**"), as more fully described in the Steinhoff Allocation Plan.

~~16.2~~ ~~19.2~~SIHPL and SIHNV have formulated the MPC Valuation Methodology with the assistance of Analysis Group, an internationally respected, reputable and experienced economic, financial and strategy consulting firm with offices in Europe, North America and Asia, operating from its London branch. The MPC Valuation Methodology has been formulated in accordance with international standard market practice and with regard to principles of South African law.

~~16.3~~ ~~19.3~~The universal application across MPC Relevant Claims of the MPC Valuation Methodology will:

~~16.3.1~~ ~~19.3.1~~secure an equal standard pursuant to which the claims of MPC Relevant Claims (including those of SIHPL Market Purchase Claimants) are valued and on which basis payments can be claimed under this Proposal;

~~16.3.2~~ ~~19.3.2~~provide an efficient resolution of the very large number of MPC Relevant Claims that have been or may be asserted, including by SIHPL Market Purchase Claimants; and

~~16.3.3~~ ~~19.3.3~~minimise the time and costs associated with resolving all disputed MPC Relevant Claims, including those of SIHPL Market Purchase Claimants.



16.4 ~~19.4~~ The effect of the universal application of the MPC Valuation Methodology is that:

16.4.1 ~~19.4.1~~ with respect to the SIHPL Market Purchase Claimants, the value of each MPC Relevant Claim will be calculated using a methodology based on the extent to which the relevant SIHPL Shares (and, following their exchange pursuant to the Scheme of Arrangement, the relevant SIHNV Shares) were inflated in price in the "relevant period" from open of business on 2 March 2009 to close of business on ~~06-6~~ December 2017, calculated by reference to the share price decline as a result of announcements made in the first week of December 2017. Specifically, such valuation reflects:

16.4.1.1 ~~19.4.1.1~~ the total amount of each SIHPL Market Purchase Claimant's overpayments during the relevant period due to inflation in the price of the SIHPL Shares on the date of each purchase thereof; **less**

16.4.1.2 ~~19.4.1.2~~ the total amount of each SIHPL Market Purchase Claimant's overcompensation during the relevant period due to inflation in the price of the SIHPL Shares (or SIHNV Shares received in exchange for SIHPL Shares) on the date of any and each sale thereof.

16.4.2 ~~19.4.2~~ The MPC Valuation Methodology is set out more fully in the Steinhoff Allocation Plan.

17 ~~20~~ SETTLEMENT TERMS FOR SIHPL MARKET PURCHASE CLAIMANTS

~~20.1~~ Analysis Group has assisted SIHPL and SIHNV in assessing the likely range of outcomes in that respect, the details of which are set out in Annexure D. In summary:

17.1 As noted above, all Market Purchase Claimants will be entitled to recoveries from the SoP Settlement Fund, whilst SIHPL Market Purchase Claimants will additionally be entitled to recoveries from the SIHPL MPC Settlement Fund.

17.2 Analysis Group has assisted SIHPL in assessing the likely range of outcomes for SIHPL Market Purchase Claimants under this Proposal. In summary, using claim values estimated by Analysis Group based on available data at the date of this Proposal, the average and taking into account estimated recoveries from both the



SoP Settlement Fund and the SIHPL MPC Settlement Fund, the baseline estimated settlement recovery for SIHPL MPC Relevant Claims, ~~including these~~ of SIHPL Market Purchase Claimants, ~~is 5.0~~ is 15.1 cents in the Rand, calculated as at 31 ~~March~~ August 2021; ²² and ~~20.1.2~~ ~~depending on variations in Claim Values, Analysis Group conclude that settlement recovery for MPC Relevant Claims should in any event fall between 4.0 and 6.6 depending on variations in Claim Values, Analysis Group conclude that settlement recovery for SIHPL MPC Relevant Claims should in any event fall between 15.1 and 23.7~~ cents in the Rand.

SoP Settlement Fund

17.3 ~~20.2~~ Pursuant to the SIHNV Composition Plan and an agreement to be concluded between SIHNV and the SRF, and subject to the occurrence of the Settlement Effective Date, SIHNV shall procure payment of settlement consideration of a nominal amount equivalent to ~~€370,000,000.00~~ €612,620,000.00 (the "**SoP Gross Settlement Fund**"), less (A) any amounts ~~payable~~ deductible pursuant to ~~clause 4~~ clauses 4.4 and 4.5 of the SRF and Claims Administration Conditions and (B) any amounts ~~to be deducted~~ deductible from the SoP Gross Settlement Fund pursuant to clause ~~22.8~~ 10.3 of the SIHNV Composition Plan (together, the "**SoP Settlement Fund**"), on a *pari passu* pro rata basis to:

17.3.1 ~~20.2.1~~ SIHPL Market Purchase Claimants;

17.3.2 ~~20.2.2~~ SIHNV Market Purchase Claimants; and

17.3.3 ~~20.2.3~~ SIHNV Contractual Claimants.

17.4 ~~20.3~~ SIHNV shall make the SoP Gross Settlement Fund available 50% in cash and 50% in PPH Shares and at a deemed settlement ~~value~~ price of R15.00 per PPH Share as at the Settlement Effective Date, subject to SIHNV's option, in consultation with SIHPL, to elect in its sole and absolute discretion to make the SoP Gross Settlement Fund available in a greater proportion, or entirely, in cash. SIHNV in its sole discretion shall also have the option to settle the settlement consideration in a



greater proportion of cash for the benefit of Qualifying Ineligible Claimants. Any and all risks in connection with such an arrangement are for the account of the relevant Qualifying Ineligible Claimants, including risks relating to the price and execution of such arrangement.

17.5 ~~20.4~~ Each SIHPL Market Purchase Claimant whose claim is accepted under the terms of this Proposal will be entitled to a distribution of settlement consideration from the SoP Settlement Fund calculated according to the following formula:

A/(B+C) x D where:

A = the Claim Value of a SIHPL Market Purchase Claimant;

B = the total Claim Value of all claims of all SIHPL Market Purchase Claimants, SIHNV Market Purchase Claimants and SIHNV Contractual Claimants that are:

- (i) ~~submitted in accordance with~~ filed pursuant to the SIHNV Composition Plan and/or this Proposal (as applicable) and in accordance with the SRF and Claims Administration Conditions; and
- (ii) accepted ~~in accordance with~~ pursuant to the SIHNV Composition Plan and/or this Proposal (as applicable);

C = the total Claim Value of all the Disputed Claims, which for each Disputed Claim will be the amount as asserted in accordance with the Inflation Methodology (as defined in the Steinhoff Allocation Plan) ~~with respect to the SIHPL Market Purchase Claimants~~; and

D = the SoP Settlement Fund.

SIHPL MPC Settlement Fund

17.6 In addition, pursuant to this Proposal and subject to the occurrence of the Settlement Effective Date, SIHPL shall procure payment of settlement consideration of R3,213,580,773.00 (the "SIHPL Gross MPC Settlement Fund")



less (A) any amounts deductible pursuant to clauses 4.4 and 4.5 of the SRF and Claims Administration Conditions and (B) any amounts deductible from the SIHPL Gross MPC Settlement Fund pursuant to clause 17.7 (together, the "**SIHPL MPC Settlement Fund**"), on a *pari passu* pro rata basis to SIHPL Market Purchase Claimants.

17.7 To the extent that, prior to the final distribution (and/or repayments pursuant to clause 19.11 below) of the SIHPL MPC Settlement Fund by SRF to the SIHPL Market Purchase Claimants, the SRF Costs Allocation is insufficient to cover the total of all actual and anticipated SRF Costs (including costs of SRF to be incurred or expected to be incurred after the final distribution (and/or repayments pursuant to clause 19.11 below) of the SIHPL MPC Settlement Fund), a *pro rata* share, relative to the contribution of SIHNV to the SRF Costs Allocation, in such amount of actual and anticipated SRF Costs that overrun the SRF Costs Allocation, will be deducted from the Gross Settlement Fund, in accordance with clause 4.1.3 of the SRF and Claims Administration Conditions.

17.8 SIHPL shall make the SIHPL MPC Gross Settlement Fund available 50% in cash and 50% in PPH Shares and at a deemed settlement price of R15.00 per PPH Share as at the Settlement Effective Date, subject to SIHPL's option to elect in its sole and absolute discretion to make any part of the SIHPL MPC Gross Settlement Fund available in a greater proportion, or entirely, in cash. SIHPL in its sole discretion shall also have the option to settle any settlement consideration in a greater proportion of cash for the benefit of Qualifying Ineligible Claimants. Any and all risks in connection with such an arrangement are for the account of the relevant Qualifying Ineligible Claimants, including risks relating to the price and execution of such arrangement.

17.9 Each SIHPL Market Purchase Claimant whose claim is accepted under the terms of this Proposal will be entitled to a distribution of settlement consideration from the SIHPL MPC Settlement Fund calculated according to the following formula:

$A/(B+C) \times D$ where:

A = the Claim Value of a SIHPL Market Purchase Claimant;



B = the total Claim Value of all claims of all SIHPL Market Purchase Claimants that are:

(iii) filed pursuant to this Proposal and in accordance with the SRF and Claims Administration Conditions; and

(iv) accepted pursuant to this Proposal;

C = the total Claim Value of all the Disputed Claims in respect of SIHPL Market Purchase Claims, which for each such Disputed Claim will be the amount as asserted in accordance with the Inflation Methodology (as defined in the Steinhoff Allocation Plan); and

D = the SIHPL MPC Settlement Fund.

17.10 ~~20.5~~ Subject to the SRF and Claims Administration Conditions, the SRF shall determine the acceptance (or rejection) of a claim and the amount and currency to be allocated to a SIHPL Market Purchase Claimant in respect of such claim as described in clause ~~23-20~~ and effect the payment to each such SIHPL Market Purchase Claimant at the time described in clause ~~22-12~~ 19.15.

17.11 ~~20.6~~ The ~~portion-portions~~ of the Gross Settlement ~~Fund-Funds~~ consisting of cash ~~is are~~ referred to as the "Gross Cash Settlement ~~Fund-Funds~~" and the ~~portion portions~~ of the ~~SoP-Gross~~ Settlement ~~Fund-Funds~~ consisting of PPH Shares ~~is-are~~ referred to as the "Gross Share Settlement ~~Fund-Funds~~". In this respect, SIHNV and SIHPL (as applicable) shall procure:

17.11.1 ~~20.6.1~~ the deposit of the Gross Cash Settlement ~~Fund-Funds~~ into:

17.11.1.1 ~~20.6.1.1~~ a ZAR escrow account controlled by the SRF with respect to the ~~ZAR-portion-of-the-SIHPL~~ Gross Cash Settlement Fund; ~~and~~

17.11.1.2 a ZAR escrow account controlled by the SRF with respect to the ZAR portion of the cash component of the SoP Gross Settlement Fund; and



17.11.1.3 ~~20.6.1.2~~an EUR bank account with a leading bank controlled by, maintained by or held in the name of the SRF with respect to the EUR portion of the cash component of the SoP Gross ~~Cash~~ Settlement Fund,

each in accordance with the SRF and Claims Administration Conditions; and

17.11.2 ~~20.6.2~~that Ainsley makes available any share portion of the Gross Share Settlement ~~Fund-Funds~~ for the benefit of holders of MPC Relevant Claims, including SIHPL Market Purchase Claimants, and SIHNV Contractual Claims by way of the establishment of a security arrangement under South African law under the terms of an agreement with Ainsley and SBG Securities Proprietary Limited, so as to enable the SRF to effectively deal with the relevant portion of the PPH ~~shares-Shares~~ in question in accordance with the provisions of this Proposal.

17.12 ~~20.7~~SIHNV and SIHPL (as applicable) shall procure that the deposit of, and establishment of the security arrangement in respect of (as applicable) the Gross Cash Settlement ~~Fund-Funds~~ and the Gross Share Settlement ~~Fund-Funds~~ referred to in clauses ~~20.6.1-17.11.1~~ and ~~20.6.2-17.11.2~~ to the SRF occurs ~~ultimately 2 Business-Days before~~ on or about the Settlement Effective Date.

17.13 ~~20.8~~Upon receipt by the SRF of the Gross Cash Settlement ~~Fund-Funds~~ and establishment of the security arrangement in respect of the Gross Share Settlement ~~Fund-Funds~~ (if applicable) for the benefit of the holders of the MPC Relevant Claims and the SIHNV Contractual Claims, SIHPL will be fully released from its obligations to the SIHPL Market Purchase Claimants pursuant to this Proposal. This release will occur automatically upon the completion of such steps and without any further formalities. The SRF shall, as its own independent and several obligation, perform any and all of the obligations pursuant to this Proposal that are expressed to be owed by the SRF.

17.14 ~~20.9~~Any amount payable to a SIHPL Market Purchase Claimant in cash is calculated and paid in accordance with the Steinhoff Allocation Plan and the SRF and Claims Administration Conditions. If a currency conversion from EUR to ZAR is required in connection with any such payment, the conversion will be made at the



official EUR/ZAR exchange rate published by the European Central Bank for the transfer of ZAR or EUR quoted at close of business on the day which is two Business Days prior to the Meeting.

17.15 ~~20.10~~ After the Bar Date, and in respect of the cash portion of the SoP Gross Settlement Fund, the SRF may, depending on the size of the groups of the SIHPL Market Purchase Claimants, the SIHNV Market Purchase Claimants and the SIHNV Contractual Claimants that are entitled to cash payments in EUR or ZAR in accordance with this Proposal, Part V of the Steinhoff Allocation Plan and the SIHNV Composition Plan:

17.15.1 ~~20.10.1~~ procure the payment of cash from a ZAR escrow account controlled by it to a EUR bank account controlled, maintained or held by it in order for the SRF to pay cash settlement consideration to the SIHPL Market Purchase Claimants, the SIHNV Market Purchase Claimants and the SIHNV Contractual Claimants that are entitled to cash payments in EUR; and

17.15.2 ~~20.10.2~~ procure the payment of cash from a EUR bank account controlled, maintained or held by it to a ZAR escrow account controlled by it in order for the SRF to pay cash settlement consideration to the SIHPL Market Purchase Claimants, the SIHNV Market Purchase Claimants and the SIHNV Contractual Claimants that are entitled to cash payments in ZAR.

17.16 ~~20.11~~ The SRF will not make distributions that are deemed to be *de minimis* (negligible) pursuant to Part V of the Steinhoff Allocation Plan and clause 4 of the SRF and Claims Administration Conditions. Any amounts or shares that are not distributed on that ground shall be dealt with in accordance with Part V of the Steinhoff Allocation Plan and clause 4 of the SRF and Claims Administration Conditions.

18 ~~24~~ THE ROLE OF THE SRF IN RESPECT OF SIHPL MARKET PURCHASE CLAIMANTS

18.1 ~~24.4~~ A foundation (a Dutch *stichting* entity named the Stichting Steinhoff Recovery Foundation, referred to in this Proposal as the "SRF") will be established, which also has certain related infrastructure in South Africa for the distribution of the



portion of the Gross Settlement Funds to SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants and SIHNV Contractual Claimants that are entitled to receive payment in PPH Shares and in ZAR. SRF is necessary for the purposes of the SIHNV Composition Plan in the Netherlands, to satisfy the District Court of Amsterdam (*Rechtbank Amsterdam*) that the obligations assumed by SIHNV under the SIHNV Composition Plan and this Proposal will be properly and independently performed and discharged by the SRF.

18.2 ~~21.2~~ The SRF will be the claims administration and distribution vehicle for the purpose of MPC Relevant Claims, set up as an independent entity governed by a board of newly-appointed directors, with two directors being entirely independent of the Steinhoff Group. The ~~Chairperson~~ chairperson will be independent and will have a casting vote in case of a tie in decision-making. The SRF will become bound to this Proposal as of the ~~Proposal~~ Settlement Effective Date by countersigning this Proposal forthwith upon its establishment. For the avoidance of doubt, it will have no role in relation to the claims of Financial Creditors or Contractual ~~Creditors~~ Claimants or the consideration to which they are entitled under this Proposal. The SRF will also be entitled to become a party to settlement agreements with third parties in relation to the Events and/or Allegations and accordingly collect proceeds from third parties which may be made available for distribution under the terms of the SRF and Claims Administration Conditions. The governance of the SRF is set out in clause 2 (*Purpose and governance of the Stichting Steinhoff Recovery Foundation*) of the SRF and Claim Administration Conditions and in the SRF Articles of Association.

18.3 ~~21.3~~ The SRF shall (i) determine the acceptance (or rejection) of a claim and the amount and currency to be allocated to a SIHPL Market Purchase Claimant in respect of such claim in accordance with the Steinhoff Allocation Plan and (ii) effect payment of such settlement sums to each such SIHPL Market Purchase Claimant, subject to the SRF and Claims Administration Conditions.

18.4 ~~21.4~~ The SRF shall, upon its establishment, irrevocably and unconditionally submit to the non-exclusive jurisdiction of the High Court of South Africa in respect of any matters arising in respect of the SIHPL Market Purchase Claimants under this Proposal, without detracting from the jurisdiction of the Dispute Committee pursuant to clause ~~24~~ 21.



- 18.5 ~~21.5~~ Pursuant to the SIHNV Composition Plan and clause 3.1.17 of the SRF and Claims Administration Conditions, SIHNV has undertaken to procure that SAHPL (or another Steinhoff Group Company) will pay the SRF Costs Payment to the SRF ~~as compensation to cover the SRF Costs (both~~ (as defined in the SIHNV Composition Plan), deposited in a separate EUR account of SRF with a leading bank.
- 18.6 ~~21.6~~ To the extent that, after the final distribution (and/or repayments pursuant to clause ~~22.8~~19.8) of the ~~SoP~~ Settlement ~~Fund~~ Funds by the SRF to the Market Purchase Claimants and the SIHNV Contractual Claimants, the total SRF Costs (including costs of the SRF to be incurred after the final distribution or repayment of the ~~SoP~~ Settlement ~~Fund~~ Funds) are lower than the SRF Costs Allocation, the SRF will transfer any remaining amount of the SRF Costs Allocation to the parties that have paid such amounts to the SRF, pro rata to the contribution of each such party compared to the total amounts received by the SRF by way of contribution for the SRF Costs, in accordance with clause 4.1.2 of the SRF and Claims Administration Conditions.
- 18.7 ~~21.7~~ To the extent that prior to the final distribution (and/or repayments pursuant to clause ~~22.8~~19.8) of the ~~SoP~~ Settlement ~~Fund~~ Funds by the SRF to the Market Purchase Claimants and the SIHNV Contractual Claimants, the SRF Costs Allocation is insufficient to cover the total of all actual and anticipated SRF Costs (including costs of the SRF to be incurred or expected to be incurred after the final distribution (and/or ~~repayment~~ repayments pursuant to clause ~~22.8~~19.8) of the ~~SoP~~ Settlement ~~Fund~~ Funds), a pro rata share, relative to the contribution of SIHNV to the SRF Costs Allocation, in such amount of actual and anticipated SRF Costs that overrun the SRF Costs Allocation, will be deducted from the Gross Settlement ~~Fund~~ Funds, in accordance with clause 4.1.3 of the SRF and Claims Administration Conditions.
- 18.8 ~~21.8~~ This Proposal constitutes the acceptance and acknowledgement by all SIHPL Market Purchase Claimants of the SRF and Claims Administration Conditions.



19 ~~22~~ SIHPL MARKET PURCHASE CLAIMANTS - CLAIMS VERIFICATION PROCESS

19.1 ~~22.1~~ In accordance with the Court Order granted under case number 16377/2020, delivery notices of the availability of this Proposal, and the Meeting, constitute delivery of notice of the Meeting and delivery of a copy of the Proposal. Publication and delivery in terms of that Court Order constituted delivery to every Scheme Creditor. In addition, notice of the availability of this Proposal was, *inter alia*, published on SIHNV's website, on the JSE's Stock Exchange News Service and the equivalent service of the FSE, and in terms of the provisions of the aforesaid Court Order. Given SIHPL does not possess current information on the identity of all actual SIHPL Market Purchase Claimants:

19.1.1 ~~22.1.1~~ not all SIHPL Market Purchase Claimants will personally receive a copy of this Proposal; and

19.1.2 ~~22.1.2~~ this Proposal may be delivered to persons who are not SIHPL Market Purchase Claimants.

19.2 ~~22.2~~ The delivery to any person of a copy of this Proposal does not constitute such person as being a SIHPL Market Purchase Claimant.

19.3 ~~22.3~~ As a condition to receiving any payment in accordance with ~~clause 20.4~~ clauses 17.5 and 17.9 (if any), each SIHPL Market Purchase Claimant must, on or before the Bar Date, submit to the Claims Administrator in accordance with ~~clauses 22.4-19.4~~ and ~~22.5-19.5~~ -

19.3.1 ~~22.3.1~~ in the case of each party purporting to represent multiple SIHPL Market Purchase Claimants and/or purporting to have acquired multiple MPC Relevant Claims against SIHPL, a valid and complete Master Claim Form; and

19.3.2 ~~22.3.2~~ in the case of each (other) SIHPL Market Purchase Claimant, a valid and complete Online Claim Form,

subject to clause ~~23~~20.



- 19.4 ~~22.4~~ Each Claim Form, all (supporting) documentation referred to therein, and any follow-up correspondence in that respect shall be submitted to the Claims Administrator in electronic format and each SIHPL Market Purchase Claimant agrees that its email address as provided in the Claim Form can be used for such correspondence. However, the Claims Administrator may accept postal submissions from a SIHPL Market Purchase Claimant that is a retail investor (being non-professional market participants who generally invest smaller amounts than larger institutional investors). In the event of a postal submission (and any follow-up correspondence in that respect), the postmark date (if indicated on the correspondence) will be assumed to be the date of receipt of the correspondence for the purposes of this clause ~~22.19~~. Any SIHPL Market Purchase Claimant that submits a Claim Form by postal services bears any risk related thereto (including, but not limited to, the risk that the submission is received after the respective submission deadlines).
- 19.5 ~~22.5~~ Each Claimant Representative or other party filing an MPC Relevant Claim in a representative capacity shall submit all required evidence of its authority to file an MPC Relevant Claim on behalf of a SIHPL Market Purchase Claimant, as detailed in Schedule 2 (*Required Claim Information*) to the SRF and Claims Administration Conditions. Each claim ~~submitted~~ filed by or on behalf of a SIHPL Market Purchase Claimant shall be accompanied with the evidentiary documentation as set out in Schedule 2 (*Required Claim Information*) to the SRF and Claims Administration Conditions.
- 19.6 ~~22.6~~ Prior to making any distributions from the SoP Settlement Fund, the SRF will withhold from the SoP Settlement Fund a nominal amount (the "**Disputed Claims Amount**") equal to the amount that would be distributable in accordance with clause 7.2 of the SIHNV Composition Plan or clause ~~20.4~~ 17.5 of this Proposal (as applicable) in respect of Disputed Claims.
- 19.7 ~~22.7~~ The SRF will reserve the amount specified in clause ~~22.6~~ 19.6 based on the Claim Value in the amount asserted pursuant to the Inflation Methodology (as defined in the Steinhoff Allocation Plan) with respect to the SIHPL Market Purchase Claimants, taking into account the claim details as asserted by the Scheme Creditor.



- 19.8 ~~22.8~~ The positive balance (if any) of the Disputed Claims Amount will, once all Disputed Claims are finally and bindingly determined or resolved and the payments in accordance with clause ~~22.13~~ 19.16 have occurred, be distributed amongst all Market Purchase Claimants and SIHNV Contractual Claimants (unless such claimants have waived receipt of such payment) on a pro rata basis in proportion to their Claim Value, unless the SRF determines that the balance of the Disputed Claims Amount is insufficient to make such distribution economical, in which case the SRF shall pay such balance to SIHNV. Any costs, expenses or fees in relation to such redistribution of the balance of the Disputed Claims Amount to the Market Purchase Claimants and the SIHNV Contractual Claimants will be first deducted from that balance before the pro rata redistribution amounts will be determined to be sufficient to make such distribution economical.
- 19.9 Prior to making any distributions from the SIHPL MPC Settlement Fund, the SRF will withhold from the SIHPL MPC Settlement Fund a nominal amount (the "Disputed SIHPL Claims Amount") equal to the amount that would be distributable in accordance with clause 17.9 in respect of Disputed Claims of SIHPL Market Purchase Claimants.
- 19.10 The SRF will reserve the amounts specified in clause 19.9 based on the Claim Value in the amount asserted pursuant to the Inflation Methodology (as defined in the Steinhoff Allocation Plan) with respect to the SIHPL Market Purchase Claimants, taking into account the claim details as asserted by the Scheme Creditor.
- 19.11 The positive balance (if any) of the Disputed SIHPL Claims Amount will, once all Disputed Claims in respect of SIHPL MPC Relevant Claims are finally and bindingly determined or resolved and the payments in accordance with clause 19.6 have occurred, be distributed amongst all SIHPL Market Purchase Claimants (unless a SIHPL Market Purchase Claimant has waived receipt of such payment) on a *pro rata* basis in proportion to their Claim Value, unless the SRF determines that the balance of the Disputed SIHPL Claims Amount is insufficient to make such distribution economical, in which case the SRF shall pay such amount to SIHPL. Any costs, expenses or fees in relation to such redistribution of the balance of the Disputed SIHPL Claims Amount to the SIHPL Market Purchase Claimants will be



first deducted from that balance before the *pro rata* redistribution amounts will be determined.

19.12 ~~22.9~~ Following the verification of the claims of a SIHPL Market Purchase Claimant the person concerned shall be entitled to vote at the Meeting provided such verification occurs prior to the date of the Meeting and, if the Proposal is Adopted and Sanctioned and the ~~Proposal~~ Settlement Effective Date occurs, shall qualify for a portion of the ~~SoP~~ Settlement FundFunds.

19.13 ~~22.10~~ The Claims Administrator will also receive and verify any claims ~~submitted~~ filed by persons who believe they have an MPC Relevant Claim after the Meeting but prior to the Bar Date, for purposes of determining if such claim qualifies for a portion of the ~~SoP~~ Settlement FundFunds.

19.14 ~~22.11~~ Clause ~~24~~ 21 of this Proposal to be read in conjunction with clause 6 of the SRF and Claims Administration Conditions provides for a resolution mechanism in the event that:

19.14.1 ~~22.11.1~~ the determination of the SRF is disputed by any person claiming to be a SIHPL Market Purchase Claimant (i.e. where the SRF rejects a claim on the basis that it does not constitute an MPC Relevant Claim and the relevant claimant disputes such rejection); and/or

19.14.2 ~~22.11.2~~a SIHPL Market Purchase Claimant or SIHPL disputes the amount which the SRF has determined is payable to such SIHPL Market Purchase Claimant.

19.15 ~~22.12~~ Subject to the SRF and Claims Administration Conditions, the SRF will distribute to each SIHPL Market Purchase Claimant, or its respective duly authorised designated agents or trustee, its respective share of the ~~SoP~~ Settlement FundFunds in respect of a claim that is not a Disputed Claim as soon as reasonably practicable after the Bar Date and once all Market Purchase Claimants and SIHNV Contractual Claimants have been notified of their Claim Determination and the Claim Determinations have become final, subject to the SRF and Claims Administration Conditions.



19.16 ~~22.13~~ Subject to the SRF and Claims Administration Conditions, the SRF will distribute to each SIHPL Market Purchase Claimant, or its respective duly authorised designated agents or trustee, its respective share of the ~~SoP~~ Settlement ~~Fund~~ Funds in respect of a Disputed Claim (if any) as soon as reasonably practicable after the later of payment having occurred pursuant to clause ~~22.12~~ 19.15 and the Claims Administrator having received proof that the Claim Value of their Disputed Claim is:

19.16.1 ~~22.13.1~~ determined as being valid on a binding basis in a final decision by the Dispute Committee; or

19.16.2 ~~22.13.2~~ otherwise agreed in a settlement agreement between the relevant parties.

19.17 ~~22.14~~ Any SIHPL Market Purchase Claimant that is in principle entitled to receive a payment pursuant to this Proposal will receive such payment in a single instalment.

19.18 ~~22.15~~ Subject to clause ~~22.16~~ 19.19, each SIHPL Market Purchase Claimant shall be paid its share of the ~~SoP~~ Settlement ~~Fund~~ Funds in cash and in PPH Shares (at a deemed ~~value~~ settlement price of R15.00 per PPH Share) in approximately the same proportion (i.e. 50:50) or, if SIHNV or SIHPL (as applicable) has made available the Gross Settlement ~~Fund~~ Funds in a higher proportion of cash, in approximately the same proportion as the settlement cash and PPH Shares bear to the Gross Settlement ~~Fund~~ Funds, with rounding to occur as follows:

19.18.1 ~~22.15.1~~ no fractional PPH Shares will be transferred. The calculation of the number of PPH Shares to be distributed will be rounded up or down to the nearest whole PPH Share. No adjustment will be made in any cash distribution for any fractional PPH Shares lost as a result of rounding down or obtained as a result of rounding up;

19.18.2 ~~22.15.2~~ any amount payable to a SIHPL Market Purchase Claimant pursuant to this Proposal in cash will be rounded down to one ~~eurocent~~ euro cent (€0.01) or one South African rand cent (R0.01) (as applicable).



19.19 ~~22.16~~To the extent a SIHPL Market Purchase Claimant (or their nominee) is ~~ineligible to receive PPH Shares~~ a Qualifying Ineligible Claimant, such SIHPL Market Purchase Claimant shall authorise the SRF to sell the PPH Shares (in consultation with SIHPL) it would be entitled to receive and shall accept without any recourse the costs, price and execution risks of such sale.

19.20 ~~22.17~~The further mechanism of payments will be determined by the SRF and the Claims Administrator acting jointly and will, among other things, take into account speed of payment and related cost. Such determination will bind each SIHPL Market Purchase Claimant.

20 ~~23~~**SPECIFICS OF CLAIMS DETERMINATION PROCESS**

PART A – IN RESPECT OF CLAIMS SUBMITTED TO THE CLAIMS ADMINISTRATOR PRIOR TO THE VOTING DEADLINE DATE

20.1 ~~23.1~~For each claim filed prior to the Voting Deadline Date, or such later date as SIHPL may permit in its absolute discretion, by an (alleged) SIHPL Market Purchase Claimant pursuant to the terms of this Proposal, the Claims Administrator, acting as reviewer in accordance with the terms of the SRF and Claims Administration Conditions, will initially determine whether the Claim filed constitutes an MPC Relevant Claim and can be accepted and, if so, the Claim Value of that claim (the "**Initial Claim Value**").

20.2 ~~23.2~~The Claims Administrator shall, after receipt and review of a claim ~~submitted~~ filed in accordance with this Proposal, notify the (alleged) SIHPL Market Purchase Claimant if there are any initial deficiencies in the ~~submitted~~ filed claim and/or items in respect of which the Claims Administrator requires additional information and/or documentation (including originals) as the Claims Administrator deems necessary and/or appropriate for the purposes of verifying that each ~~submitted~~ claim filed constitutes a valid claim (a "**Deficiency Notification**"). In such Deficiency Notification, the Claims Administrator shall advise the (alleged) SIHPL Market Purchase Claimant of the fact that the (alleged) SIHPL Market Purchase Claimant will not be eligible to participate in and/or vote at the Meeting despite submitting a claim prior to the Voting Deadline Date, or such later date as permitted by SIHPL in its absolute discretion, on the basis of the deficiency, but may still be eligible to



receive a distribution from the ~~SoP~~ Settlement ~~Fund~~ Funds in the event that any deficiencies are cured (including any further deficiencies that are notified to the (alleged) SIHPL Market Purchase Claimant following the Deficiency Notification) in accordance with the provisions of this Proposal. Part B of this clause ~~23-20~~ sets out the process to be followed upon receipt of a Deficiency Notification.

20.3 ~~23.3~~ The Claims Administrator shall, to the extent it did not send a Deficiency Notification pursuant to clause ~~23-2-20.2~~ above and after receipt and review of a claim ~~submitted~~ filed prior to the Voting Deadline Date, or such later date as permitted by SIHPL in its absolute discretion, and in accordance with this Proposal, send a written notification to the relevant SIHPL Market Purchase Claimant (or its authorised representative) informing it of its Initial Claim Value and providing the (alleged) SIHPL Market Purchase Claimant with the underlying claim calculation, no later than 12 Business Days prior to the Meeting.

20.4 ~~23.4~~ To the extent that a SIHPL Market Purchase Claimant disagrees with any Deficiency Notification or the Initial Claim Value notified to them by the Claims Administrator –

20.4.1 ~~23.4.1~~ the SIHPL Market Purchase Claimant in question must notify the Validation Committee of such disagreement ~~within 48~~ on or before the deadline stipulated therefor in the Initial Claim Value or Deficiency Notification (~~forty eight~~ as applicable) ~~hours~~ (or any longer period as deemed reasonable by the Validation Committee at its sole discretion) of receipt of the Initial Claim Value or Deficiency Notification from the Claims Administrator (the **"Disagreement Notice"**);

20.4.2 ~~23.4.2~~ in a Disagreement Notice, the SIHPL Market Purchase Claimant must set out: (i) the claimant's name; (ii) the claimant's unique claim number; and (iii) the basis on which it disagrees with the Initial Claim Value or Deficiency Notification;

20.4.3 ~~23.4.3~~ the Validation Committee, working in conjunction with the Claims Administrator (who will provide the claim information, relevant underlying documentation and claim calculations to the Validation Committee), will review the Initial Claim Value or Deficiency Notification and underlying claim



calculation and documentation to determine whether the value calculated or deficiency(ies) identified by the Claims Administrator contains any manifest error or misapplication of the Steinhoff Allocation Plan (the "**Validation Process**");

20.4.4 ~~23.4.4~~ the Validation Committee shall notify the (alleged) SIHPL Market Purchase Claimant in question and SIHPL of the results of the Validation Process. The results of the Validation Process shall be final and binding and not subject to any further appeal and shall constitute the final Initial Claim Value allocated to that SIHPL Market Purchase for purposes of voting at the Meeting; and

20.4.5 ~~23.4.5~~ prior to the Meeting, the Claims Administrator and SIHPL will provide a report to the Chair confirming the value of the claims of each SIHPL Market Purchase Claimant eligible to attend and vote at the Meeting.

20.5 ~~23.5~~ For purposes hereof, the Validation Committee's contact details and any other pertinent information, including important dates, will be made available on www.SteinhoffSettlement.com in due course.

20.6 ~~23.6~~ For the avoidance of doubt, the Initial Claim Value ascribed to an (alleged) SIHPL Market Purchase Claimant's claim (including those that have been confirmed by the Validation Process) is not conclusive for the purposes of distribution. Prior to a distribution being made, the Claims Administrator may re-verify the claim (to the extent the Claims Administrator or the SRF deems it necessary to do so). All (alleged) SIHPL Market Purchase Claimants, including those who ~~submitted~~ filed their claims prior to the Voting Deadline Date, will be entitled to cure any deficiencies and may avail themselves of the full Dispute Committee process for distribution purposes as set out in Part B of this clause ~~23~~ 20 and elsewhere in this Proposal.

20.7 No SIHPL Market Purchase Claimant can challenge or hold the Validation Committee liable for the acceptance and/or rejection of any Disagreement Notice of any SIHPL Market Purchase Claimant or any other aspect of the Validation Process. For the avoidance of doubt, this clause 20.7 contains an irrevocable third-party stipulation in favour of the Validation Committee.



PART B – IN RESPECT OF CLAIMS SUBMITTED TO THE CLAIMS ADMINISTRATOR AFTER THE VOTING DEADLINE DATE

20.8 ~~23.7~~ For the avoidance of doubt it is recorded that the provisions of this Part B of clause ~~23-20~~ shall also apply to (alleged) SIHPL Market Purchase Claimants who ~~submit file~~ their claims ~~to with~~ the Claims Administrator prior to the Voting Deadline Date, or such later date as permitted by SIHPL in its absolute discretion, but who receive a Deficiency Notification in accordance with clause ~~23-20.2~~.

20.9 ~~23.8~~ Subject to clause ~~2421~~, the decision regarding the acceptance or rejection of a claim filed by a SIHPL Market Purchase Claimant and the Claim Value to be allocated in respect of an accepted MPC Relevant Claim for purposes of payment of distributions to SIHPL Market Purchase Claimants (the "**Claim Determination**") will ultimately be made by the SRF upon the (non-binding) advice of the Claims Administrator and in accordance with this Proposal and the SRF and Claims Administration Conditions. The Claims Administrator shall provide the SRF with (a copy of) any documents and/or information requested by it for the purposes of the SRF making the Claim Determination.

20.10 ~~23.9~~ For each claim filed by an (alleged) SIHPL Market Purchase Claimant pursuant to the terms of this Proposal, the Claims Administrator, acting as reviewer in accordance with the terms of the SRF and Claims Administration Conditions, will initially determine whether the ~~Claim filed constitutes an MPC Relevant Claim and claim filed by an (alleged) SIHPL Market Purchase Claimant~~ can be accepted and, if so, the Claim Value of that claim. The Claims Administrator shall advise the SRF accordingly for the purpose of making the Claim Determination pursuant to clause ~~23.8~~20.9.

20.11 ~~23.10~~ The SRF and the Claims Administrator are not bound by the Initial Claim Value and/or outcome of the Validation Process for the purposes of making the Claim Determination. The SRF and the Claims Administrator are not prevented from exercising any of their rights pursuant to this clause ~~23-20~~ in respect of ~~an a~~ SIHPL Market Purchase Claimant with a claim that is ascribed an Initial Claim Value.



- 20.12 ~~23.11~~The Claims Administrator shall, as soon as practicable after receipt and review of a claim ~~submitted~~filed in accordance with this Proposal notify the (alleged) SIHPL Market Purchase Claimant via a Deficiency Notification if there are any deficiencies in the ~~submitted~~filed claim and/or items in respect of which the Claims Administrator requires additional information and/or documentation (including originals) as the Claims Administrator deems necessary and/or appropriate for the purposes of verifying that each ~~submitted~~filed claim constitutes a valid claim (~~a "Deficiency Notification"~~).
- 20.13 ~~23.12A~~~~Each~~ (alleged) SIHPL Market Purchase Claimant must ~~submit~~file any information and/or documentation requested under clause ~~23.11~~20.12 within ~~10 Business Days~~30 days after the date of the Deficiency Notification (or any longer period as deemed reasonable by the Claims Administrator at its sole discretion, notwithstanding the ability of the SRF to direct the Claims Administrator).
- 20.14 ~~23.13~~The Claims Administrator will notify the (alleged) SIHPL Market Purchase Claimant with regard to the applicable deadline in the Deficiency Notification, but is under no obligation to remind an (alleged) SIHPL Market Purchase Claimant of this deadline. If the deficiencies are not fully cured, or the required information not fully ~~submitted~~filed within that period, the Claims Administrator will make a recommendation to the SRF as to whether to reject the claim. If the Bar Date lapses during such period to cure deficiencies or has lapsed before the Claims Administrator was able to process and review the respective claim and send the Deficiency Notification, this will not affect the rights of the (alleged) SIHPL Market Purchase Claimant to receive a payment in respect of its claim if all deficiencies are fully cured within the period mentioned in clause ~~23.12~~20.13 and such claim is subsequently accepted by the SRF.
- 20.15 ~~23.14~~If requested by the Claims Administrator or at its own initiative, the SRF may provide guidance to the Claims Administrator in respect of the necessary evidentiary documentation.
- 20.16 ~~23.15~~Subject to clause ~~23.16~~20.17, a claim ~~submitted~~filed by an (alleged) SIHPL Market Purchase Claimant: (i) may be rejected in full without providing the (alleged) SIHPL Market Purchase Claimant with the option to cure any deficiencies if the claim is ~~submitted~~filed after the Bar Date or without any evidentiary documentation



or, evidently, with the sole purpose to circumvent the cut-off date for ~~submitting~~ filing claims pursuant to the Bar Date; or (ii) may be rejected in full or in part, if the (alleged) SIHPL Market Purchase Claimant ~~submits~~ files its claim with insufficient supporting information and documentary evidence and the relevant (alleged) SIHPL Market Purchase Claimant, after having received a Deficiency Notice, does not timeously remedy such defect(s) in accordance with clauses ~~23.12~~ 20.13 and ~~23.13~~ 20.14 in the time period(s) contemplated therein. Criteria for the required information and documentary evidence to be ~~submitted~~ filed with the claim ~~is~~ are provided in Schedule 2 (*Required Claim Information*) to the SRF and Claims Administration Conditions.

20.17 ~~23.16~~ Notwithstanding the foregoing provisions of this clause ~~23~~ 20, each SIHPL Market Purchase Claimant agrees and acknowledges that the SRF may decide at any time in its sole reasonable discretion, having regard to the specific facts or circumstances relating to a relevant SIHPL Market Purchase Claimant and/or the interests of the Market Purchase Claimants and SIHNV Contractual Claimants as a whole, to accept a claim ~~submitted~~ filed pursuant to this Proposal and/or determine the Claim Value of such claim. No SIHPL Market Purchase Claimant can challenge (subject to clause ~~24~~ 21), derive any rights from, or hold the SRF and/or its (current or former) board members liable for, any exercise or non-exercise by the SRF of such discretion, the acceptance and/or rejection of any claim of any other SIHPL Market Purchase Claimant and/or the determination of any Claim Value of any other SIHPL Market Purchase Claimant. For the avoidance of doubt, this clause ~~23.16~~ 20.17 contains an irrevocable third-party stipulation in favour of the SRF.

20.18 ~~23.17~~ In accordance with the SRF and Claims Administration Conditions, and as soon as reasonably practicable after review of a claim ~~submitted~~ filed in accordance with this Proposal, the Claims Administrator will send a written notification to the relevant SIHPL Market Purchase Claimant (or its authorised representative) informing it of the Claim Determination in accordance with clauses 20.10 to 20.19 of this Proposal and clause 6.5 (Claim Determination notification) of the SRF and Claims Administration Conditions. The Claims Administrator shall send such notification on behalf of the SRF in copy to the relevant Claimant Representative organisation (if applicable) and to SIHPL. SIHPL may request the SRF to receive the underlying documentation submitted by the SIHPL Market Purchase Claimant on which the Claim Determination is based.



20.19 ~~23.18~~ SIHPL Market Purchase Claimants who hold multiple accounts shall not file separate claims for each account and must aggregate their claims as one in a Claim Form. To the extent it is apparent that claims are not filed in accordance with these provisions, the Claims Administrator will notify the SIHPL Market Purchase Claimant (or its representative(s)) that the claims should have been aggregated and will provide it the opportunity to refile its claims accordingly, in which case clauses ~~23.11-20.12~~ through ~~23.13-20.14~~ shall apply mutatis mutandis. Subject to clause ~~23.16~~20.17, the SRF may reject such claims that are not properly aggregated.

21 ~~24~~ DISPUTES REGARDING CLAIM DETERMINATION

21.1 ~~24.1~~ Clause ~~22-19~~ of this Proposal and the Steinhoff Allocation Plan provide for a reservation of a portion of the ~~SeP~~ Settlement ~~Fund~~ Funds for MPC Relevant Claims in respect of which disputes are pending with the Dispute Committee or otherwise competent court. The SRF will distribute to each SIHPL Market Purchase Claimant its respective share of the ~~SeP~~ Settlement ~~Fund~~ Funds (if any) as soon as reasonably practicable after the later of (a) payment having occurred to SIHPL Market Purchase Claimants that are not subject to dispute and (b) the Claims Administrator having received proof that the Claim Value of their claim is:

21.1.1 ~~24.1.1~~ determined on a binding basis in a final decision by the Dispute Committee; or

21.1.2 ~~24.1.2~~ otherwise agreed in a settlement agreement between the relevant parties.

21.2 ~~24.2~~ It is hereby recorded that the Dispute Committee shall –

21.2.1 ~~24.2.1~~ be established pursuant to this Proposal and the SIHNV Composition Plan;

21.2.2 ~~24.2.2~~ have exclusive jurisdiction to decide on all matters and disputes between the SRF ~~on the one hand and~~ a SIHPL Market Purchase Claimant and/or ~~SIHNV on the other hand~~ SIHPL, in relation to the question whether and to ~~which~~ what extent a SIHPL Market Purchase Claimant is entitled to



compensation from the ~~SoP~~ Settlement ~~Fund~~ Funds pursuant to this Proposal (including the relevant Claim Determination) by way of binding advice (*bindend advies*) under Section 7:900 *et seq.* of the Dutch Civil Code in accordance with the Dispute Committee Rules; and

- 21.2.3 ~~24.2.3~~ consist of:
- 21.2.3.1 (to start with) 9 (nine) independent persons, ~~of which:~~
- 21.2.3.2 ~~24.2.3.1~~ at least three (3) members of the Dispute Committee are Dutch law qualified with substantial experience (either practicing or retired);
- 21.2.3.3 ~~24.2.3.2~~ at least two (2) members of the Dispute Committee are (also) accountants; and
- 21.2.3.4 ~~24.2.3.3~~ at least two (2) members of the Dispute Committee are South African law qualified with substantial experience (either practicing or retired).
- 21.3 ~~24.3~~ The initial members of the Dispute Committee as appointed pursuant to clause ~~24.2.3~~ 21.2.3 of this Proposal are:
- 21.3.1 ~~24.3.1~~ A. (Fred) Hammerstein, who will act as the chairperson of the Dispute Committee;
- 21.3.2 ~~24.3.2~~ F. (Erik) W.H. van den Emster, who will act as the deputy chairperson of the Dispute Committee;
- 21.3.3 ~~24.3.3~~ P. (Peter) Ingelse;
- 21.3.4 ~~24.3.4~~ Prof. Dr. P. (Peter) A.M. Diekman RA;
- 21.3.5 ~~24.3.5~~ Mr Justice F. (Fritz) D.J. Brand;
- 21.3.6 ~~24.3.6~~ H. (Herman) Wessels CA;



- [21.3.7](#) ~~24.3.7~~ Prof. M. (Matthias) Haentjens;
- [21.3.8](#) ~~24.3.8~~ Dr. K. (Kathy) Idensohn; and
- [21.3.9](#) ~~24.3.9~~ T. (Theresa) Visser CA.
- [21.4](#) ~~24.4~~ The chairperson of the Dispute Committee shall be a Dutch law qualified lawyer (jurist) with substantial experience (either practicing or retired).
- [21.5](#) ~~24.5~~ The members of the Dispute Committee, any secretary, supporting staff or any other person involved by the Dispute Committee (such as experts) shall not be liable either by contract or otherwise for any damage caused by their own or any other person's acts or omissions in or in connection with the binding advice proceedings, unless and insofar as mandatory Dutch law precludes exoneration. [This clause contains an irrevocable third-party stipulation in respect of those mentioned in this clause.](#)
- [21.6](#) ~~24.6~~ SIHNV, the SRF and the SIHPL Market Purchase Claimants hereby consent to the appointment of the Dispute Committee.
- [21.7](#) ~~24.7~~ Subject to clause ~~24.8~~ [21.8](#):
- [21.7.1](#) ~~24.7.1~~ SIHPL may declare a dispute in respect of any Claim Determination; and
- [21.7.2](#) ~~24.7.2~~ any SIHPL Market Purchase Claimant (or its authorised representative) may declare a dispute in respect of a Claim Determination made with regard to that SIHPL Market Purchase Claimant only.

Such dispute will be notified to the SRF and, if not resolved between the SRF and the disputing party in a timely manner, ultimately be submitted to and finally resolved by the Dispute Committee, in each case in accordance with the Dispute Committee Rules. For this purpose, references in the Dispute Committee Rules to a "Settlement Creditor" are to be construed as references to the relevant SIHPL Market Purchase Claimant.



- 21.8 ~~24.8~~ The Claim Determination will be final and binding on the SRF, SIHPL and the respective SIHPL Market Purchase Claimant and no further recourse or access to the binding advice procedure of the Dispute Committee shall exist in the event that, for instance, the SRF or the Dispute Committee ~~, as applicable,~~ have not been timely notified of a dispute in accordance with the Dispute Committee Rules.
- 21.9 ~~24.9~~ Further rules and mechanisms regarding the resolution of disputes by and the composition of the Dispute Committee are set out in the Dispute Committee Rules.
- 21.10 ~~24.10~~ In the event and to the extent two or more Claimant Representatives ~~submit~~ file a duplicate claim on behalf of the same SIHPL Market Purchase Claimant, the Claims Administrator will:
- 21.10.1 ~~24.10.1~~ accept for purposes of review of the relevant claim (or part of the claim) ~~submitted~~ filed by the Claimant Representative ~~which~~ that, on the basis of the date of the power of attorney granted to the Claimant Representative (~~and as~~ received by the Claims Administrator from the Claimant Representatives with the submission of the claims), such Claimant Representative can be concluded to have been the first Claimant Representative in time to have been authorised by the SIHPL Market Purchase Claimant to ~~submit~~ file its claim; and
- 21.10.2 ~~24.10.2~~ reject the relevant claim (or part of the claim) ~~submitted~~ filed by the other Claimant Representative(s), unless the SIHPL Market Purchase Claimant informs the Claims Administrator otherwise in writing within 30 Business Days from the date of the notification of the rejection of the relevant claim (or part of the claim).
- 21.11 ~~24.11~~ In the event and to the extent a duplicate claim is ~~submitted~~ filed by a Claimant Representative and a third party filer, then (i) the relevant claim (or part of the claim) ~~submitted~~ filed by the Claimant Representative will be reviewed by the Claims Administrator, provided that the Claimant Representative proves that it is validly authorised to ~~submit~~ file such claim (or part of such claim) on behalf of the SIHPL Market Purchase Claimant, and (ii) the claim (or part of the claim) ~~submitted~~ filed by the third party filer will be rejected, unless the SIHPL Market Purchase Claimant



informs the Claims Administrator otherwise in writing within 30 Business Days of the date of the notification of the rejection of the relevant claim (or part of the claim).

21.12 ~~24.12~~In the event and to the extent a duplicate claim is ~~submitted~~ filed by a SIHPL Market Purchase Claimant itself as well as one (or more) Claimant Representative(s), the duplicate claim (or part of the claim) ~~submitted~~ filed by the SIHPL Market Purchase Claimant will be rejected, provided that (one of) the Claimant Representative proves that it is validly authorised to ~~submit~~ file such claim (or part of such claim) on behalf of the SIHPL Market Purchase Claimant, unless the SIHPL Market Purchase Claimant informs the Claims Administrator otherwise in writing within 30 Business Days from the date of the notification of the rejection of the relevant claim (or part of the claim).

21.13 ~~24.13~~In the event a claim is ~~submitted~~ filed by a SIHPL Market Purchase Claimant itself, then to the extent any duplicate claim (or part of a claim) is ~~submitted~~ filed by a third party (other than a Claimant Representative, in which case clause ~~24.12~~ 21.12 applies), such duplicate claim (or part of such claim) will be rejected.

21.14 ~~24.14~~In any other instances where two or more parties ~~submit~~ file a duplicate claim (or part of a claim), the following applies:

21.14.1 ~~24.14.1~~the Claims Administrator will review the claim ~~submitted~~ filed first in time; or

21.14.2 ~~24.14.2~~in the event that the (wholly or partially) duplicate claims are ~~submitted~~ filed at the same time, the Claims Administrator will verify the most complete claim submission with the least deficiencies;

21.14.3 ~~24.14.3~~to the extent the process in clauses ~~24.14.1~~ 21.14.1 and ~~24.14.2~~ 21.14.2 does not lead to a solution, the Claims Administrator will notify the SRF. The SRF will inform the parties who ~~submitted~~ filed the (remaining) (wholly or partially) duplicate claims in order to come to an amicable solution. If such solution cannot be reached ~~ultimately~~ within 20 Business Days after the SRF has informed the relevant parties, the SRF will ~~submit~~ file the dispute for final and binding resolution to the Dispute Committee in accordance with the Dispute Committee Rules. For this purpose, references to a "Settlement



Creditor" are to be construed as references to the relevant SIHPL Market Purchase Claimant. Each of the parties that have ~~submitted~~ filed such duplicate claim will become a party to the dispute before the Dispute Committee.

21.15 ~~24.15~~ The duplicate claims that are not verified by the Claims Administrator in accordance with clause ~~24.14~~ 21.14 will be rejected by the SRF.

21.16 ~~24.16~~ The SRF and ~~its~~ /or its (individual) (current and former) board members cannot be held liable in respect of any actual or alleged (wholly or partially) duplicate claims, for any acceptance or rejection of a (wholly or partially) duplicate claim, or for any (whole or partial) payment or non-payment in respect of (the extent of) such duplicate claim.



25PART B4 – COMMON TERMS

22 ~~26~~GENERAL TERMS

Moratorium⁴⁷²³

22.1 ~~26.1~~ Regarding the three Classes of Scheme Creditors forming the subject matter of the Proposal and who are therefore subject to the moratorium:

22.1.1 ~~26.1.1~~ no legal proceedings of any nature, including but not limited to enforcement actions, can be instituted against SIHPL, or proceeded with, as the case may be, from the date on which this Proposal is Adopted; and

22.1.2 ~~26.1.2~~ after the expiration of ten days after the final payment is made in terms of this Proposal, any Scheme Creditors who have instituted legal proceedings against SIHPL (whether in South Africa, or in any other jurisdiction) shall be obliged to take all steps necessary to formally withdraw such legal proceedings against SIHPL without seeking any cost order against SIHPL.

22.2 ~~26.2~~ Regarding all other creditors: the moratorium does not apply to any persons or entities who are not Scheme Creditors.

Debt for equity⁴⁸²⁴

22.3 ~~26.3~~ No debt will be converted to equity.

SIHPL's ongoing role and the treatment of contracts⁴⁹²⁵

22.4 ~~26.4~~ It is contemplated that SIHPL will remain in business after discharging its obligations in terms of this Proposal.

⁴⁷²³ Section 155(3)(b)(i): Nature and duration of moratorium.

⁴⁸²⁴ Section 155(3)(b)(ii): Debt to equity conversion.

⁴⁹²⁵ Section 155(3)(b)(iii): SIHPL's ongoing role and the treatment of contracts.



22.5 ~~26.5~~ Should this Proposal be Adopted:

~~26.5.1~~ ~~the Amended SIHPL CPU shall be and shall remain in force and effect;~~

22.5.1 ~~26.5.2~~ the SIHNV Loan, the S155 Settlement Note and Newco 2A Loan will be entered into, the benefit of the Titan Receivable will be obtained and the security package will be granted;

22.5.2 ~~26.5.3~~ all agreements, of whatsoever nature, giving rise to obligations on the part of SIHPL in relation to the Intercompany Loan Creditors shall continue to remain of full force and effect; and

22.5.3 ~~26.5.4~~ save where expressly set out in this Proposal, any other valid agreements, of whatsoever nature, in force as at the Proposal Date, giving rise to obligations on the part of SIHPL, shall continue to remain of full force and effect.

Treatment of Intercompany Loan Creditors

22.6 ~~26.6~~ For the avoidance of doubt, it is recorded that the Intercompany Loan Creditors have contractual claims against SIHPL under the terms of the Intercompany Loans, which claims are not sought to be compromised pursuant to this Proposal. The Intercompany Loan Claims came into existence in the ordinary course of SIHPL's business. The Intercompany Loan Creditors shall retain certain contractual rights against SIHPL under the terms and conditions of the Intercompany Loans and will rank *pari passu* with the secured claims of the Financial Creditors ~~under the Amended SIHPL CPU and Non-Qualifying Claimants~~.

23 ~~27~~ WAIVERS AND RELEASES

SRF and Claims Administrator: waiver and releases

23.1 ~~27.4~~ The SRF will be established and appointed as a special entity to receive, supervise, monitor, hold, administer and execute the distribution (and/or repayments pursuant to clause ~~22.8~~ 19.8) of the Gross Settlement ~~Fund~~ Funds and



the application of certain fees and costs in relation to the SRF Costs, in accordance with this Proposal, the SIHNV Composition Plan, the SRF Articles of Association and the SRF and Claims Administration Conditions.

23.2 ~~27.2~~ SIHPL will ensure that the SRF, upon its establishment, signs a signature page to be annexed to this Proposal evidencing that it will be bound by the provisions in this Proposal as if it were a party hereto and will acknowledge and accept its duties and obligations following from and in connection with the execution and implementation of this Proposal and the SIHNV Composition Plan. The obligations of the SRF under this Proposal are subject to receipt of the Gross Settlement ~~Fund~~ Funds by the SRF.

23.3 ~~27.3~~ The SRF shall perform such duties and obligations also in accordance with the SRF Articles of Association ~~and~~, the SRF and Claims Administration Conditions and Dutch law.

23.4 ~~27.4~~ The SRF shall appoint Computershare as the initial Claims Administrator in accordance with clause 5 (*The Claims Administrator*) of the SRF and Claims Administration Conditions, to act independently from the Steinhoff Group and the Scheme Creditors (as well as the SIHNV Creditors under the SIHNV Composition Plan) and to assist on that basis with the implementation of the Steinhoff Group Settlement, including the verification of the MPC Relevant Claims in accordance with the SRF and Claims Administration Conditions and this Proposal.

23.5 ~~27.5~~ Each Scheme Creditor hereby unconditionally and irrevocably waives and releases any claims which may arise against any current and ~~/or~~ former Steinhoff Group Company, the SRF (as well as its individual (current and former) board members and support staff), and the Claims Administrator:

23.5.1 ~~27.5.1~~ arising from distributions (and/or repayments pursuant to clause ~~22.8~~ 19.8 or 19.11) made out of the ~~SoP~~ Settlement ~~Fund~~ Funds; ~~and/or~~

23.5.2 ~~27.5.2~~ in relation to the performance by the Claims Administrator of its role in connection with the SRF Settlement Documents; ~~and/or~~



23.5.3 ~~27.5.3~~ in relation to the performance by the SRF of its role in connection with the SRF Settlement Documents, other than enforcing the rights of such Scheme Creditor vis-à-vis the SRF to receive a payment in accordance with clause ~~20~~17, taking into account the Claim Determination and, if applicable, binding advice of the Dispute Committee in respect of the relevant claim,

save, in each case, in the case of fraud or gross negligence.

23.6 ~~27.6~~ Each Scheme Creditor agrees and acknowledges that the SRF, as well as its individual (current and former) board members and supporting staff cannot (save in the case of fraud or gross negligence) be held liable whatsoever including (without limitation) for:

23.6.1 ~~27.6.1~~ the maintenance or distribution (and/or repayments pursuant to clause ~~22.8~~19.8 or 19.11) of the ~~SoP~~-Settlement ~~Fund~~Funds;

23.6.2 the sale of relevant PPH Shares for the purpose of making relevant distributions, including (without limitation) for any price risk or execution risk in connection with such sale;

23.6.3 ~~27.6.2~~ the determination, administration, calculation or payment of any claim (including the treatment of duplicate claims) or any other distribution (and/or repayments pursuant to clause ~~22.8~~19.8 or 19.11) of the ~~SoP~~-Settlement ~~Fund~~Funds and any delay in claim assessment and claim determination by the Claims Administrator, and/or any delay in respect of any distribution of (a relevant part of) the ~~SoP~~-Settlement ~~Fund~~Funds;

23.6.4 ~~27.6.3~~ the payment or non-payment of any claim;

23.6.5 ~~27.6.4~~ the event that a SIHPL Market Purchase Claimant does not receive its share of the ~~SoP~~-Settlement ~~Fund~~Funds as a result of an attachment, seizure, or any analogous proceedings, insolvency or any (other) reason that may lead to the revocation (by operation of law) of ~~a~~any relevant power of attorney provided by that SIHPL Market Purchase Claimant to another party in respect of the receipt of its share of the ~~SoP~~-Settlement ~~Fund~~Funds;



- 23.6.6 ~~27.6.5~~ any delay and/or (whole or partial) impossibility to distribute the ~~SoP Settlement Fund~~ Funds to the SIHPL Market Purchase Claimants, the postponement of such distribution or any distribution (and/or repayments pursuant to clause ~~22.8~~ 19.8 or 19.11) in deviation from the applicable terms under this Proposal, including (without limitation) in each case as a result of currency exchange controls;
- 23.6.7 ~~27.6.6~~ the performance or non-performance of the Claims Administrator;
- 23.6.8 ~~27.6.7~~ the initiation, non-initiation of proceedings or defence in proceedings before the Dispute Committee and/or any court, arbitral tribunal and/or any other regulatory, administrative, tax or other legal proceedings;
- 23.6.9 ~~27.6.8~~ any decrease of the value of the ~~SoP Settlement Fund~~ Funds received by the SRF (be it either deposited in the third-party accounts, escrow accounts ~~and/or~~ securities account, or otherwise), including, but not limited to, due to negative interest rates, any fluctuation of currency exchange rates or debtor counterparty risk for the payment or withholding of taxes owed on the payment of the ~~SoP Settlement Fund~~ Funds or the operation of the SRF (which tax expenses are chargeable to the Gross Settlement ~~Fund~~ Funds and the SRF Costs Allocation respectively);
- 23.6.10 ~~27.6.9~~ any tax liability that a Scheme Creditor may incur as a result of the implementation of the SRF and Claims Administration Conditions and/or this Proposal or as a result of any action taken pursuant to the SRF and Claims Administration Conditions and/or this Proposal or for any losses incurred by any person in connection therewith; and
- 23.6.11 ~~27.6.10~~ ~~for~~ any costs, damages, losses or expenses, whether direct or indirect, and whether actual or contingent or future, incurred or to be incurred by a person in connection with any of the foregoing, it being understood, for the avoidance of doubt, that all costs that are SRF Costs are for the account of the SRF, subject to clause ~~21.7~~ 18.7.



- 23.7 ~~27.7~~ The SRF shall not be obligated to make any investments with or manage the Gross Settlement ~~Fund~~Funds, the funds referred to in the Deloitte Market Purchase Claimants Offer, the Deloitte Steinhoff Additional Support Offer, the D&O Insurers Market Purchase Claimants Offer ~~and~~ the D&O Steinhoff Additional Support Offer or any contributions made by the Deloitte Firms or the D&O Insurers in order to optimise the return or maintain the amount of such funds as deposited.
- 23.8 ~~27.8~~ Subject to the payment by the SRF to a SIHPL Market Purchase Claimant of its respective share in the ~~SoP~~-Settlement ~~Fund~~Funds, that SIHPL Market Purchase Claimant fully, finally and irrevocably releases and waives any and all claims it may have against the SRF.
- 23.9 ~~27.9~~ For the avoidance of doubt it is recorded that clauses ~~27.5~~ 23.5 and ~~27.6~~ 23.6 contain irrevocable third-party stipulations in respect of any current and former Steinhoff Group Company, the SRF and the individual (current and former) members of the SRF's management board, the supporting staff of the SRF and the Claims Administrator (as applicable), as the case may be, which will be capable of acceptance by these entities and individuals at any time following the ~~Proposal~~ Settlement Effective Date, without the need to communicate such acceptance to any Scheme Creditor.

Full, final and irrevocable discharge and waiver by the Scheme Creditors

- 23.10 ~~27.10~~ SIHPL, together with SIHNV, has entered into the SSSA with the Deloitte Firms, the D&O Insurers and the Settling D&Os to achieve a global and final resolution and closure of all present and potential future Litigation between them and to assist in bringing about global peace to the greatest extent possible.
- 23.11 ~~27.11~~ Under the terms of the SSSA, subject to the fulfilment of certain conditions and in exchange for releases as referred to in clause ~~27.12~~ 23.12:
- 23.11.1 ~~27.11.1~~ the Deloitte Firms, the D&O Insurers and the Settling D&Os, ~~;~~ have agreed to support the Steinhoff Group Settlement to compensate for losses suffered by SIHPL, SIHNV, other Steinhoff Group Companies, Market Purchase Claimants, some Contractual Claimants and some SIHNV Contractual Claimants in relation to the Allegations and the Events by, among



other things, the Deloitte Firms offering an aggregate amount of up to EUR 55.34 million and the D&O Insurers and the Settling D&Os, offering an aggregate amount of up to EUR 55.5 million, each for incremental distribution by the SRF to the Market Purchase Claimants pursuant to the terms of the Deloitte Market Purchase Claimants Offer and the D&O Insurers Market Purchase Claimants Offer and an aggregate amount of EUR 15 million each (EUR 30 million in total) for distribution by the SRF to certain Contractual Claimants and certain SIHNV Contractual Claimants as the Deloitte Steinhoff Additional Support Offer and the D&O Steinhoff Additional Support Offer in accordance with the terms of the SSSA and the SRF and Claims Administration Conditions; and

23.11.2 ~~27.11.2~~ the Deloitte Firms, the D&O Insurers and the Settling D&Os, have further agreed to provide additional support to the Steinhoff Group Settlement by, among other things, (i) releasing any claims, including potential recourse claims, each of them might have against the other of them in relation to the Allegations and/or the Events, as well as against SIHPL and SIHNV and other Steinhoff Group Companies, on the terms set out in the SSSA; and (ii) making a contribution in connection with the costs of the SRF,

together the "**Joint Steinhoff Settlement Support**".

23.12 ~~27.12~~ The Deloitte Firms, the D&O Insurers and the Settling D&Os are only willing to provide the Joint Steinhoff Settlement Support in exchange for releases in respect of claims ~~from SIHPL, SIHNV, in respect of all matters relating (directly or indirectly) to the Events and/or the Allegations – all as set out in detail in and under the terms of the SSSA and (to the extent applicable) in other agreements as referred to in clause 23.25 from SIHPL, SIHNV, certain~~ other Steinhoff Group Companies, the Scheme Creditors and each other ~~in respect of all matters relating (directly or indirectly) to the Events and the Allegations.~~

23.13 ~~27.13~~ SIHPL and SIHNV, having considered the Joint Steinhoff Settlement Support and the alternative options available to SIHPL, SIHNV ~~and~~ other Steinhoff Group Companies and the Scheme Creditors, ~~including~~ amongst others ~~instituting or pursuing claims against the Steinhoff D&O Beneficiaries or Audit Firms or other Deloitte Beneficiaries~~ in relation to the Events and/or Allegations and having



concluded that the Joint Steinhoff Settlement Support (i) constitutes a sufficient contribution to the Steinhoff Group Settlement and an incremental contribution to the Market Purchase Claimants, to the Contractual Claimants and to the SIHNV Contractual Claimants and (ii) is in the best interests of SIHPL, SIHNV ~~and~~ other Steinhoff Group Companies and the Scheme Creditors believe that the release of the Steinhoff D&O Beneficiaries and the Audit Firms and other Deloitte Beneficiaries ~~in respect of~~ from their respective claims from SIHPL, SIHNV, other Steinhoff Group Companies, the Scheme Creditors and each other in respect of all matters relating (directly or indirectly) to the Events and the Allegations – all as set out in detail in and under the terms of the SSSA and (to the extent applicable) in other agreements as referred to in clause 23.25 – in exchange for the Joint Steinhoff Settlement Support is beneficial to SIHPL, SIHNV ~~and~~ other Steinhoff Group Companies and the Scheme Creditors.

23.14 ~~27.14~~ The waivers and releases set out herein are subject to the occurrence of the ~~Proposal~~ Settlement Effective Date.

23.15 ~~27.15~~ Without prejudice to the requirement that there be performance by SIHPL and the SRF of their obligations hereunder, this Proposal constitutes the full ~~and~~ final and irrevocable discharge of any claim of any nature whatsoever of the Contractual Claimants and the SIHPL Market Purchase Claimants against SIHPL regardless of whether such Contractual Claimant or SIHPL Market Purchase Claimant has ~~submitted~~ filed, either on its own behalf or by means of third party duly authorised to act on its behalf, its claim for inclusion in this Proposal or has voted against or in favour of this Proposal, or has abstained from voting.

23.16 ~~27.16~~ All Scheme Creditors fully, finally and irrevocably release on a several basis and waive any and all of their rights in connection with:

23.16.1 ~~27.16.1~~ subject to clause ~~27.14~~ 23.14 and the receipt by the SRF, alternatively by the SRF taking control, of the Gross Settlement ~~Fund~~ Funds, any and all actual and/or potential direct and/or indirect tort/delictual and other contractual and non-contractual (including statutory) claims they may have against SIHNV, SIHPL and any other current or former Steinhoff Group Company, regardless of whether relating to the acquisition of shares, bonds or other securities or debt instruments issued by any current and/or former Steinhoff



Group Company at any time, in respect of all matters relating (directly or indirectly) to the Events and/or the Allegations, such releases to be effective as of the Settlement Effective Date;

23.16.2 ~~27.16.2~~ subject to the occurrence of the Settlement Effective Date and the receipt by the SRF of the D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer any and all actual and/or potential direct and/or indirect, contractual and non-contractual (including statutory) claims against the D&O Beneficiaries:

23.16.2.1 ~~27.16.2.1~~ in relation to any matters, facts and circumstances, directly or indirectly, whether known or unknown, that have occurred since 5 December 2017, save for fraud and gross misconduct;

23.16.2.2 ~~27.16.2.2~~ in respect of all matters relating (directly or indirectly) to the Events and/or the Allegations;

such releases to be effective as of the Settlement Effective Date;

23.16.3 ~~27.16.3~~ subject to the occurrence of the Settlement Effective Date and the receipt by the SRF of the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer, any and all actual and/or potential direct and/or indirect, contractual and non-contractual (including statutory) claims against any Audit Firm and/or any other Deloitte ~~Beneficiary~~ Beneficiaries in respect of any matters, whether known or unknown, (directly or indirectly) related to or in connection with the Events and/or the Allegations, such releases to be effective as of the Settlement Effective Date; and

23.16.4 ~~27.16.4~~ subject to clause ~~27.14~~ 23.14 and the receipt by the SRF, alternatively by the SRF taking control, of the Gross Settlement ~~Fund~~ Funds, any and all actual and/or potential direct and/or indirect, contractual and non-contractual (including statutory) claims against advisers retained by any current or former Steinhoff Group Company, including those set out in Schedule 8 (*Overview advisers Steinhoff Group Companies*) to the SIHNV Composition Plan and their personnel, ~~offices~~ officers, partners and directors in relation to any matters, facts and circumstances that occurred after 5 December 2017, save



for fraud and gross misconduct, such releases to be effective as of the Settlement Effective Date.

23.17 ~~27.17~~ Each Intercompany Loan Creditor, subject to and upon the ~~Proposal~~ Settlement Effective Date, pursuant to collateral agreements, fully, finally and irrevocably releases any and all non-contractual and/or delictual claims it has against any current or former Steinhoff Group Company in whatever capacity and waives any and all of its rights in connection thereto.

23.18 ~~27.18~~ Each Scheme Creditor:

23.18.1 ~~27.18.1~~ by providing the waivers and releases set out in clauses ~~27.16.1~~ 23.16.1, ~~27.16.2~~ 23.16.2 and ~~27.16.4~~ 23.16.4 above:

23.18.1.1 ~~27.18.1.1~~ acknowledges that the boards of SIHNV and SIHPL have determined that the terms of this Proposal are in the best interests of SIHNV and SIHPL and other members of the Steinhoff Group;

23.18.1.2 ~~27.18.1.2~~ confirms that it does not and shall not dispute such determination; and

23.18.1.3 ~~27.18.1.3~~ confirms that the terms of this Proposal adequately compensate the Scheme Creditors for their respective claims; ~~and~~

23.18.2 ~~27.18.2~~ to the extent it is entitled to payment from the Deloitte Market Purchase Claimants Offer or the Deloitte Steinhoff Additional Support Offer under the terms of the SSSA or any other agreement as referred to in clause 23.25 and by providing the releases set out in clause ~~27.16.3~~ 23.16.3 above, confirms that the Deloitte Market Purchase Claimants Offer or the Deloitte Steinhoff Additional Support Offer adequately compensate it for its respective claims, as the case may be; and

23.18.3 ~~27.18.3~~ to the extent it is entitled to payment from the D&O Insurers Market Purchase Claimants Offer or the D&O Steinhoff Additional Support Offer under the terms of the SSSA or any other agreement as referred to in clause 23.25 and by providing the releases set out in clause ~~27.16.4~~ 23.16.4 above,



confirms that the D&O Insurers Market Purchase Claimants Offer or the D&O Steinhoff Additional Support Offer adequately compensate it for its respective claims ~~as the case may be.~~

~~27.19 The releases set out in this clause 27 shall not apply to the contractual claims of the Financial Creditors against any Steinhoff Group Company arising out of the Amended SIHPL CPU.~~

Full, final and irrevocable discharge and waiver by SIHPL

23.19 ~~27.20~~ Subject to occurrence of the Proposal Settlement Effective Date, SIHPL has agreed to fully, finally and irrevocably release on a several basis and waive:

23.19.1 ~~27.20.1~~ subject to the receipt by SRF of funds referred to in the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer, any and all of its rights against the Audit Firms and the other Deloitte Beneficiaries for any liability stemming from any known or unknown alleged non-performance of and/or failure to perform by the Audit Firms and the other Deloitte Beneficiaries of any contractual, non-contractual, common law, equitable and statutory obligations and in respect of any tortious or negligent act or omission related to or in connection with, whether directly or indirectly, the Events and /or the Allegations. For the avoidance of doubt, the release and waiver in this clause ~~27.20.1~~ 23.19.1 does not apply to any (audit) work performed by the Audit Firms and the other Deloitte Beneficiaries for any current or former Steinhoff Group Company after ~~05~~ 5 December 2017, with such releases and waivers to be effective as of the Proposal Settlement Effective Date;

23.19.2 ~~27.20.2~~ subject to the receipt by SRF of the funds referred to in the D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer ~~any~~ and all of its rights against the Steinhoff D&O Beneficiaries for any liability stemming from any known or unknown alleged non-performance of and/or failure to perform by the Steinhoff D&O Beneficiaries of any contractual, non-contractual, common law, equitable and statutory obligations and in respect of any tortious or negligent act or omission related



to or in connection with, whether directly or indirectly, the Events and/or the Allegations, with such releases and waivers to be effective as of the ~~Proposal~~ Settlement Effective Date, while such releases and waivers to any Other D&O are subject to the condition that in the event that such Other D&O initiates any ~~Claim or Claims~~ claim or claims against SIHNV, SIHPL or any other Steinhoff Group Company, such release and waiver to that Other D&O ceases to be effective to the limited extent that it is required for SIHNV, SIHPL or any other Steinhoff Group Company to defend such claim as that Other D&O has initiated, except for the costs of defence which may be recovered in full, to the extent such costs are recoverable under the applicable procedural laws and rules.

23.20 ~~27.20.3~~ Subject to the occurrence of the Settlement Effective Date and the receipt by SRF of the D&O Insurers Market Purchase Claimants Offer, the D&O Steinhoff Additional Support Offer and the D&O Insurers' contribution to the costs of SRF under the SSSA, all Steinhoff Group Companies insured under the D&O Policies have agreed to a commutation of the D&O Policies in accordance with the provisions in Annex M of the SSSA.

23.21 ~~27.21~~ Protection from counterclaims

23.21.1 ~~27.21.1~~ Each Scheme Creditor shall indemnify and hold harmless each and any of the Steinhoff Group Companies in respect of any and all Ricochet Liabilities and Ricochet Costs arising out of its assertion or pursuit (whether by legal proceedings or otherwise) of any Potential Recourse Claim.

23.21.2 ~~27.21.2~~ Each Scheme Creditor shall release any Potential Recourse Claim it has against a third party to the extent that this would release each and any of the Steinhoff Group Companies from any current or future alleged Ricochet Liabilities.

23.21.3 ~~27.21.3~~ Each Scheme Creditor undertakes that:

23.21.3.1 ~~27.21.3.1~~ prior to bringing a claim against a third party in respect of the Events and/or the Allegations, it will give written notice in accordance



with clause 15.5 of the SIHNV Composition Plan to SIHPL of its intention to pursue such a claim;

[23.21.3.2](#) ~~27.21.3.2~~ it will use its best endeavours to assess and minimise any loss to the Steinhoff Group arising out of or in connection with such claim (including any such claim already commenced as at the ~~Proposal~~ [Settlement](#) Effective Date), including (upon request) providing them with copies of all documents exchanged, filed or served in connection with such claim (either in or outside the legal process) and any information they otherwise reasonably request, as well as agreeing not to contest any attempt by any of them to join as party to such legal process, to the extent that there may be a legal basis to do so, for the purposes of determining whether any Ricochet Liability may arise as a consequence of the relevant Potential Recourse Claim; and

[23.21.3.3](#) ~~27.21.3.3~~ it will co-operate in all respects to allow the Steinhoff Group to minimise any losses or costs arising out of or in connection with such claim (including any such Claim already commenced as at the ~~Proposal~~ [Settlement](#) Effective Date).

[23.21.4](#) ~~27.21.4~~ In the event that any Scheme Creditor enters into any form of consensual resolution in respect of a Potential Recourse Claim, such Scheme Creditor shall:

[23.21.4.1](#) ~~27.21.4.1~~ immediately notify SIHNV and SIHPL of such consensual resolution and provide them with copies of any settlement agreement or other documentation comprising or evidencing the terms of such consensual resolution;

[23.21.4.2](#) ~~27.21.4.2~~ procure that the terms of such consensual resolution include a prohibition, directly enforceable by any of the Steinhoff Group Companies, upon any other party to such consensual resolution pursuing (including, without limitation, by enforcement of any judgment or award) any claim against any Steinhoff Group Company or any Potential Recourse Claim against any other party, in respect of, or in reliance



upon, the consideration given by such party for such consensual resolution of the relevant Potential Recourse Claim; and

23.21.4.3 ~~27.21.4.3~~ procure that the terms of such consensual resolution include a release of any Potential Recourse Claim it has against a third party to the extent that this would release each and any of the Steinhoff Group Companies from any current or future alleged Ricochet Liabilities.

23.21.5 ~~27.21.5~~ Notwithstanding any other provision of this Proposal, the terms of this Proposal may be relied upon by any Steinhoff Group Company in defence to, or reduction of, any alleged Ricochet Liability.

Arrangements in respect of indemnities granted under the SSSA

23.22 Subject to (a) the occurrence of the Settlement Effective Date; and (b) receipt by the SRF of the D&O Steinhoff Additional Support Offer and the D&O Insurers Market Purchase Claimants Offer, SIHPL will (along with other Steinhoff Group parties) be bound by the "Steinhoff Indemnities" summarised in Annexure I to this Proposal.

23.23 In this respect, SIH (which is also party to the Steinhoff Indemnities) will –

23.23.1 as a co-grantee, undertake in favour of SIHPL that SIH will, in its capacity as a signatory to the SSSA, discharge any such liability by way of indemnification in full; and

23.23.2 agree terms with SIHPL and SIHNV that SIH will not seek contribution or other recovery from SIHPL and SIHNV as co-sureties in respect of the indemnification referred to in clause 23.23.1 above.

Third party stipulation in respect of Released Parties:

23.24 ~~27.22~~ This clause ~~27-23~~ contains irrevocable third-party stipulations in respect of the Released Parties. To the extent acceptance of such third-party stipulations for the benefit of the Released Parties is required, the receipt by the SRF of (and, if applicable, the SRF assuming control over) the Gross Settlement ~~Fund~~ Funds shall



be deemed to constitute such acceptance by the Released Parties. To the extent acceptance of such third-party stipulations is required for the benefit of the Audit Firms and the other Deloitte Beneficiaries, the receipt by the SRF of [the funds referred to in](#) the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer shall be deemed to constitute such acceptance by the Audit Firms and the other Deloitte Beneficiaries. To the extent acceptance of such third-party stipulations is required for the benefit of any of the D&O Beneficiaries, the receipt by the SRF of the [funds referred to in the](#) D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer shall be deemed to constitute such acceptance by the D&O Beneficiaries.

No impairment

[23.25](#) ~~27.23~~ For the avoidance of doubt, the provisions of this Proposal (more in particular clause ~~27.14~~ [23.14](#) through ~~27.17~~ [23.17](#) inclusive) do not in any way impair or diminish any of the rights of any of the D&O Beneficiaries, the Audit Firms and other Deloitte Beneficiaries [or Steinhoff Group Companies](#) under the SSSA or [any of the rights](#) under any other separate agreements between the Steinhoff Group, any ~~SIHNV~~ [Scheme](#) Creditor, ~~and/or~~ the Released Parties and/or the Deloitte Firms.



28PART B5 – LIQUIDATION COMPARATORS AND BENEFITS OF THIS PROPOSAL

24 29LIQUIDATION COMPARATORS

24.1 ~~29.1~~ SIHPL has commissioned global financial experts, Analysis Group, to produce "~~liquidation comparators~~ Liquidation Comparators" that reflect assessments of the dividend that *inter alia* each member of each of the three Classes of Scheme Creditors could expect to receive, in the event that SIHPL were to be wound up, following a failure of the Steinhoff Group Settlement.

24.2 ~~29.2~~ In the event of SIHPL's liquidation, every person or entity which alleges that it is a creditor of SIHPL would be entitled to seek to prove their respective alleged claims against SIHPL's estate, regardless of:

24.2.1 ~~29.2.1~~ whether or not this Proposal applies to them; and/or

24.2.2 ~~29.2.2~~ the nature of their claims (and the prospects of successfully proving their claims against SIHPL).

24.3 ~~29.3~~ In this respect *inter alia*:

~~3.3.1~~ ~~Financial Creditors are Recorded Creditors who have undisputed contractual claims against SIHPL under the SIHPL CPU. Both the fact and amount of SIHPL's liability in that respect are certain;~~

24.3.1 Financial Creditors assert contractual and other claims against SIHPL in respect of the SIHPL Financial Creditor Liabilities;

24.3.2 Contractual Claimants (including Mayfair) have disputed ~~litigation~~ Litigation claims instituted against SIHPL prior to ~~05~~ 5 December 2020 in accordance with the terms of arms-length negotiated contractual arrangements under which shares in other enterprises were sold or transferred by such claimants or their related parties to SIHPL for which such claimants received consideration directly from SIHPL by way of issuance, or transfer, of SIHPL Shares. The fact and amount of SIHPL's liability in respect of such claims are uncertain, but SIHPL considers that they give rise to a material risk of liability for it; and



24.3.3 SIHPL Market Purchase Claimants have disputed claims against SIHPL in respect of ~~their otherwise~~ acquiring SIHPL Shares on the JSE prior to close of business on ~~06-6~~ December 2015 (such SIHPL Shares being subsequently converted to SIHNV Shares pursuant to the Scheme of Arrangement) and continuing to hold such SIHNV Shares, ~~they then received in exchange for such SIHPL Shares, (following the conversion)~~ at close of business on ~~05-5~~ December 2017. In addition, certain Non-Qualifying Claimants have disputed ~~litigation~~ Litigation claims against SIHPL that concern the value of SIHPL Shares, ~~even if whether or not~~ they ~~did not hold~~ held them. The fact and amount of SIHPL's liability in respect of such claims are also uncertain, but SIHPL considers that they give rise to a much less material risk of liability for it.

24.4 ~~29.4~~SIHPL ~~therefore considers it likely that, for~~ For reasons outlined further below, any attempt by a SIHPL Market Purchase Claimant or a Non-Qualifying Claimant to prove their ~~claims would claim, is likely to~~ be met with opposition on the basis that its claim was wholly disputed and would not be successfully proved against SIHPL's estate, thus disentitling those persons or entities from sharing in the distribution of SIHPL's assets.

24.5 ~~29.5~~In this light, for the purposes of this Proposal, SIHPL has prepared two ~~liquidation comparators~~ primary Liquidation Comparators (being, as aforesaid, the "Universal Comparator" and the "Limited Comparator"), each of which has two variants. Scheme Creditors should note that the ~~liquidation comparators~~ Liquidation Comparators do not take account of the D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer and the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer on the basis that, in a liquidation scenario, the D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer, the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer ~~will not be available to Scheme Creditors and that these amounts will not in any event form part of SIHPL's estate.~~ —

24.5.1 will not be available to Scheme Creditors; and



24.5.2 these amounts will not in any event form part of SIHPL's estate.

24.6 In addition to the aforementioned two Liquidation Comparators, a third set of Liquidation Comparators (namely, the "Alternate Comparators") has also been prepared following the S.45 Judgment. The Alternate Comparators reflect the returns that might be received in both variants of the Universal Comparators and the Limited Comparators (as defined in clause 24), should the Financial Creditors' claims be removed from the calculations. The Alternate Comparators are provided only for the sake of completeness given that, for the reasons set out in clauses 4.25 to 4.30 of this Proposal, SIHPL does not believe that the Alternate Comparators are at all likely to reflect the reality of SIHPL's position, in light of the pending appeal of the S.45 Judgment and the various claims that the Financial Creditors could assert against SIHPL even if those appeals were to fail.

The Universal Comparator

24.7 ~~29.6~~ The first comparator (of which there are two variants) is the "**Universal Comparator**" (annexed marked Part I. of Annexure D), which records all claims that, to the best of SIHPL's knowledge, have been or may reasonably be made against SIHPL (whether in the form of litigation that has already been instituted or otherwise), by all known or reasonably potential or alleged creditors of SIHPL (i.e. not only those which fall into the three Classes of Scheme Creditors). For this purpose:

~~29.6.1~~ ~~the values of the claims of the Recorded Creditors are those values which SIHPL has accepted and acknowledged, in both variations;~~

24.7.1 the values of the claims of the Financial Creditors reflect the amount of the liability which SIHPL believes there is a material likelihood it will owe the Financial Creditors in both variations, namely the amount for which SIHPL was liable to them under the Guarantees at the time of the Financial Restructuring;

24.7.2 ~~29.6.2~~ the values of the claims of the Contractual Claimants are those ascribed –



- [24.7.2.1](#) ~~29.6.2.1~~ in the first variation (the "**estimated claims**"), to the claims by Analysis Group (in accordance with the Contractual Claims Valuation Methodology set out in clause ~~45~~[13](#)); and
- [24.7.2.2](#) ~~29.6.2.2~~ in the second variation (the "**plead claims**"), with reference to the actual amounts claimed by the Contractual Claimants in instituted litigation proceedings (and which SIHPL disputes);
- [24.7.3](#) ~~29.6.3~~ the values of the claims of the SIHPL Market Purchase Claimants are those ~~respectively~~ ascribed to the claims by Analysis Group (in accordance with the MPC Valuation Methodology set out in clause ~~19~~) ~~in both variations~~ [16](#) in both variations. In this respect, SIHPL acknowledges that certain SIHPL Market Purchase Claimants have alleged that the MPC Valuation Methodology undervalues their claims, and that such claims should be valued instead strictly in accordance with delictual loss principles. However, for reasons referenced in paragraphs 266 to 269 and 275 to 285 of the judgment in *De Bruyn*,²⁶ SIHPL does not believe that all SIHPL Market Purchase Claims could realistically be established on the basis alleged by such claimants;
- [24.7.4](#) ~~29.6.4~~ the values of the claims of the Non-Qualifying Claimants are the values as alleged in their respective legal proceedings in both variations ~~and, in, save~~ for the value of Trevo's alleged claim in the 'estimate variant' of the Universal Comparator, which is valued in accordance with a methodology which takes into account *inter alia* the precise nature of the relevant claim and a specific set of factors including when SIHPL Shares were acquired and when such shares (or SIHNV Shares received in exchange for them pursuant to the Scheme of Arrangement) were sold and the price attributed to those shares (as well as the benefits received in respect of those shares, including an estimate of the residual value of such SIHNV Shares as remained held at close of business on 5 December 2017). In respect of those Non-Qualifying Claimants who have not instituted legal proceedings or have not quantified the value of their claims, SIHPL ~~'s~~ has employed a best estimate of the probable

²⁶ [De Bruyn v Steinhoff International Holdings N.V. and Others \(29290/2018\) \[2020\] ZAGPJHC 145 \(26 June 2020\).](#)



alleged value of their claims. The alleged (and disputed) potential claim that might arise with respect to the Competition Commission, is not easily capable of estimation, and no value has been attributed to it on the basis that SIHPL denies that there is any basis for, and that there are any reasonable prospects of, any liability or claim arising, whilst the alleged claim of Conservatorium in respect of the Thibault Claims constitutes an 'overlap' with claims asserted by certain of the Titan Claimants, and thus neither alleged claim is contained in the Universal Comparators. Nevertheless, if such claims were to be included in the Universal Comparator, the recovery rate of SIHPL's creditors would materially decrease. Moreover, if interest on any claim that the Financial Creditors may assert were to be included in the Universal Comparator, the recovery rate of Scheme Creditors other than the Financial Creditors would materially decrease;

24.7.5

~~29.6.5~~ in addition, and whilst it is possible that certain financial creditors may seek to assert tortious claims against SIHPL in the event of a liquidation of SIHPL, to date, no such claims (which are in any event denied by SIHPL) have been instigated, and are thus not included in the Universal Comparator. Nonetheless, the possibility, albeit remote, of such claims and quantum of such claims, if they were successfully asserted, ~~could~~ would materially decrease the recovery rate of ~~the Scheme Company's creditors. However, the terms of the Steinhoff Group Settlement require any such claims that might be held by financial creditors to be waived. Ongoing trade creditors~~ SIHPL's creditors. A material decrease in the Scheme Creditors' recovery rate would also arise if the alleged claims of some of the SIHPL Market Purchase Claimants, who have asserted a full delictual recovery, are successful. For the reasons set out in clause 25 below, the claims of the Recorded Creditors are also excluded from the ~~liquidation comparators, as these amounts are constantly changing, and would not retain accuracy. They are in any event not material to the calculations contained in the liquidation comparators;~~ Liquidation Comparators, on the grounds of relative scale and uncertainty. Any allowance for such claims in the Liquidation Comparators would also decrease the recovery rates of SIHPL's creditors in all three sets of Liquidation Comparators;



24.7.6 ~~29.6.6~~ as all of these known or potential or alleged creditors would be concurrent creditors in terms of the laws of insolvency, all are treated equally, all are ranked *pari passu*, and all are forecast to receive an equal *pro rata* liquidation dividend from the anticipated and (realistically) recoverable SIHPL assets, once the estimated administration costs are deducted; and

24.7.7 ~~29.6.7~~ in light of the fact that SIHPL has defended every claim that has been instituted against it by way of formal legal proceedings, and given that SIHPL persists in its defences and in its contention that it will ultimately be successful in defending those claims, the Universal Comparator includes the costs associated with the continuation of all legal proceedings.

The Limited Comparator

24.8 ~~29.7~~ The second comparator (of which there are two variants) is the "**Limited Comparator**" (annexed marked Part II. ~~Of of~~ Annexure D), which omits 'zero-rates' the alleged claims of the SIHPL Market Purchase Claimants and the Non-Qualifying Claimants ~~—~~ and includes only the Financial Creditors ~~(and other Recorded Claims)~~ and Contractual Claimants at the valuations as described above (i.e. on the estimated claims and the plead claims variants). In this respect:

24.8.1 ~~29.7.1~~ the SIHPL Market Purchase Claimants are omitted on the basis that the claims asserted by the SIHPL Market Purchase Claimants have poor prospects of success as a matter of law, and in any event will be substantially more difficult to prove. Specifically, this Proposal takes cognisance of the following matters:

24.8.1.1 ~~29.7.1.1~~ as a matter of law, the only class action instituted in South Africa against *inter alia* SIHPL and SIHNV (*De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020)), where shareholders sought certification to allow them to proceed to institute a claim for damages as shareholders, failed on the basis that the South Gauteng Division of the High Court of South Africa found that no such claims exist under South African law; and



- [24.8.1.2](#) ~~29.7.1.2~~ together with the additional difficulties that the SIHPL Market Purchase Claimants will face in prosecuting and successfully proving their claims, those representing large groups of SIHPL Market Purchase Claimants will need to rely upon the testimony of hundreds, if not thousands, of individuals on whose behalf they seek redress, or from whom they have acquired their alleged claims. The trials in those matters may take years to be finalised in the High Court, and will almost inevitably be followed by appeals which will further delay the final determination of these claims;
- [24.8.2](#) ~~29.7.2~~ the Non-Qualifying Claimants are also omitted from the Limited Comparator on the basis that these alleged claims will be substantially more difficult to prove and/or advance because they are claims which are too legally remote, and, in any event, are considered by SIHPL to be bad in law;
- ~~29.7.3 the values of the claims of the Recorded Creditors are those values which SIHPL has accepted and acknowledged, in both variations;~~
- [24.8.3](#) the values of the claims of the the Financial Creditors reflect the amount of the liability which SIHPL believes there is a material likelihood it will owe the Financial Creditors in both variations, namely the amount for which SIHPL was liable to them under the Guarantees at the time of the Financial Restructuring;
- [24.8.4](#) ~~29.7.4~~ the values of the claims of the Contractual Claimants are those ascribed –
- [24.8.4.1](#) ~~29.7.4.1~~ in the first variation (the "**estimated claims**"), to the claims by Analysis Group (in accordance with the Contractual Claims Valuation Methodology set out in clause ~~45~~13); and
- [24.8.4.2](#) ~~29.7.4.2~~ in the second variation (the "**plead claims**"), with reference to the actual amounts claimed by the Contractual Claimants in instituted litigation proceedings (and which SIHPL disputes);
- [24.8.5](#) ~~29.7.5~~ the Limited Comparator thus forecasts the probable liquidation dividend only in respect of the Financial Creditors and Contractual Claimants. As Financial Creditors and Contractual Claimants would be concurrent creditors



in terms of the laws of insolvency, all are treated equally, all are ranked *pari passu*, and all are forecast to receive an equal *pro rata* liquidation dividend from the anticipated, realistically recoverable SIHPL assets, once the estimated administration costs are deducted; and

24.8.6 ~~29.7.6~~ in light of the fact that SIHPL has defended every claim that has been instituted against it by way of formal legal proceedings, and given that SIHPL persists in its defences and in its contention that it will ultimately be successful in defending those claims, the Limited Comparator includes the costs associated with the continuation of all legal proceedings.

24.9 ~~29.8~~ The Universal Comparator has been prepared and included in this Proposal in order to illustrate the potential implications for Scheme Creditors if, contrary to SIHPL's reasonable expectations, the claims of SIHPL Market Purchase Claimants and Non-Qualifying Claims were to succeed. For the reasons set out above, SIHPL does not believe it reflects a likely outcome in the event that SIHPL were to go into liquidation. Specifically, the Universal Comparator takes into account any and all claims that might reasonably be asserted or attempted to be proved in a liquidation, and accordingly is premised on ignoring the aforementioned legal and evidential difficulties SIHPL Market Purchase Claimants and Non-Qualifying Claimants will face in the event that they attempted to lodge claims in a liquidation.

24.10 ~~29.9~~ It follows that, for the same reasons, SIHPL regards the Limited Comparator as (with a rate of recovery between 31.4% and 35.1%) as likely to be a more realistic scenario (although it does not admit liability in respect of Contractual Claims or accept that, if they were established, they would necessarily succeed in their pleaded amounts).

24.11 ~~29.10~~ SIHPL however accepts, and premises its Proposal on the possibility basis, that, ~~whilst remote,~~ the risk of the claims of SIHPL Market Purchase Claimants and Non-Qualifying Claims being successfully proven cannot be discounted, and the Universal Comparator (with a recovery rate of between 19.6% and 21.5%) is included in this Proposal, in order to take this into consideration. Moreover, this Proposal seeks to compromise SIHPL Market Purchase Claimants as Scheme Creditors (at a level which takes into account the aforementioned legal and evidential difficulties faced by them).



24.12 ~~29.11~~In summary, the Universal Comparator and Limited Comparator serve to illustrate the more realistic 'bookends' of a spectrum of liquidation outcomes that could ensue for Scheme Creditors depending on the extent to which the claims comprising the Litigation are successful, and to enable Scheme Creditors to compare those results against the terms of settlement and compromise offered to them under this Proposal.

The Alternate Comparators

24.13 As aforesaid, a third set of Liquidation Comparators (namely, the "Alternate Comparators") has also been prepared, following the S.45 Judgment.

24.14 The Alternate Comparators reflect the returns that might be received in both variants of the Universal Comparators and the Limited Comparators (and ascribes the aforesaid valuations), should the Financial Creditors' claims be removed from the calculations.

24.15 The Alternate Comparators are provided only for the sake of completeness. SIHPL does not believe that the Alternate Comparators reflect a realistic eventuality for the reasons set out in clauses 4.25 to 4.30 of this Proposal. Specifically, SIHPL does not believe that the Alternate Comparators are at all likely to reflect the reality of SIHPL's financial position, in light of the pending appeals of the S.45 Judgment and the various claims that the Financial Creditors could assert against SIHPL, even if those appeals were to fail.

24.16 ~~29.12~~The recovery The recoveries under the two variations of both the Universal Comparator and the Limited Comparator ~~is~~, as well as under the Alternate Comparators, are set out in Annexure D.

24.17 ~~29.13~~SIHPL believes that there will be greater wider benefits to the three Classes of Scheme Creditors should this Proposal be Adopted than would be the case should SIHPL be placed in liquidation, as set out in clause ~~34~~26.



25 ~~30~~ LIQUIDATION COMPARATOR ASSUMPTIONS

25.1 ~~30.1~~ The liquidation analysis is based on the following assumptions:

25.1.1 ~~30.1.1~~ **Liquidation commencement:** a hypothetical liquidation of SIHPL would commence on 31 ~~March~~ August 2021, being an estimated date as to when it might become clear, following exploration of all other potential options, that the Steinhoff Group Settlement had failed and the directors of SIHPL as a result initiate liquidation proceedings;

25.1.2 ~~30.1.2~~ **Liquidation process:** the liquidation will occur starting with the realisation of the underlying assets, with value (if any) flowing upwards and through the Steinhoff structure to satisfy intercompany loans. It is assumed that assets indirectly owned by SIHPL would be sold by relevant subsidiaries over an 18-month period, being an estimate taking into account an assessment of the liquidity of the relevant markets and the likely timescale for sales processes. On average, for the purpose of the relevant calculations, it is assumed that liquidation proceeds of the indirectly owned assets would be realised on 31 ~~March~~ August 2022, one year after the start of the liquidation;

25.1.3 ~~30.1.3~~ **Cash flow and liability payment:** SAHPL ~~and SIH are~~ is expected to settle the balance of its liability to SIHPL during August 2021, whilst SIH is assumed to pay on ~~their~~ its liabilities in 2024 (including intercompany debts owed to SIHPL), on the basis of the estimated time required for the realisation of underlying assets in the South African Sub-Group and the assumed liquidation processes with respect to inter alia SAHPL;

25.1.4 ~~30.1.4~~ **Interest rates and foreign exchange rates:** cash and liquidation proceeds in ZAR will grow at the ZAR risk-free rate of ~~7~~ 5%;

25.1.5 **Tax:** a provision for the payment by SIHPL of tax on any income received on assets that have been realised is not included in the Liquidation Comparators, given the question of whether there would be any net tax liability for SIHPL is uncertain. However, any net tax liability would reduce the recovery under all variants of each of the Liquidation Comparators;



- [25.1.6](#) ~~30.1.5~~ **Fees and other expenses:** the liquidation would give rise to legal, professional, and liquidator fees and costs, both at SIHPL and for the purposes of the realisation of the underlying assets. Such fees would reduce the proceeds available for upward distribution and ultimately distributions to SIHPL's creditors. The assumed fees [and bond of security costs](#) have been estimated on the basis of advice from legal and professional advisers;
- [25.1.7](#) [Recorded Creditors:](#) with respect to all of the Liquidation Comparators, the Recorded Creditors' claims that could be asserted against SIHPL in a liquidation scenario are not reflected in the Liquidation Comparators. The claims that could be asserted against SIHPL by Recorded Creditors are excluded from the Liquidation Comparators as they are highly likely to change over the course of a liquidation, in an unknown direction, and are generally relatively small amounts. However, the inclusion of Recorded Creditors' claims is likely to marginally reduce the recovery under all variants of each of the Liquidation Comparators;
- [25.1.8](#) ~~30.1.6~~ **Litigation challenges:** the various realisation and liquidation processes may be the subject of challenge and litigation, in addition to the existing claims already brought against SIHPL; however, it is assumed that any litigation that needs to be resolved ~~for the completion of the liquidation is concluded in a timely manner and is not subject to multiple appeals;~~ [\(including appeals thereof\) will be resolved within the time period for distribution assumed by the Liquidation Comparators;](#)
- [25.1.9](#) ~~30.1.7~~ **SIHPL litigation claims:** the full extent of litigation claims that might ultimately be made against SIHPL is unknown, but (all in cases without admitting liability) potential litigation claims against SIHPL are estimated on the basis of the information currently available;
- [25.1.10](#) ~~30.1.8~~ **SIHPL assets:** SIHPL's assets include [cash](#), intercompany loans with SAHPL [\(which is expected to be paid in full in August 2021\)](#), SIH, and Newco 1 (SFH), that are repaid on the basis of liquidation recoveries at those entities;
- [25.1.11](#) ~~30.1.9~~ **Steinhoff Group asset valuation and liquidation discounts:** for each asset, the fair market value of the asset is estimated by reference to one or



more of the following as applicable: a public share price; the value implied by the trading price of comparable companies; the carrying value; or other relevant valuation methodologies.

25.1.12 ~~30.1.10~~ With respect to the South African companies and assets:

25.1.12.1 ~~30.1.10.1~~ PPH is valued by projecting its share price as of the start of liquidation, based on the current share price, and applying applicable liquidation discounts ~~for~~ over an 18-month realisation process;

25.1.12.2 ~~30.1.10.2~~ South African properties are valued based on pending or projected transaction proceeds; and

25.1.12.3 ~~30.1.10.3~~ the stake in the IEP Group is valued based on the latest carrying value projected to the start of liquidation.

25.1.13 ~~30.1.11~~ The liquidation value for the Steinhoff Group Companies' assets is determined by applying a liquidation discount to reflect the implications of selling a large quantity of assets within a limited period of time in a liquidation context. In addition, for some assets, the fair market value includes an adjustment for lack of marketability.

25.2 ~~30.2~~ **Liquidation Distribution:** proceeds from the liquidation of assets in each relevant Steinhoff Group holding company are assumed to first satisfy each such company's liabilities, claims, and / or costs of liquidation before any surplus proceeds are distributed.

26 ~~31~~ **BENEFITS OF THIS PROPOSAL**

26.1 ~~31.1~~ The benefits of adopting this Proposal compared to the liquidation of SIHPL are set out below.²⁰²⁷ In this context, it is important to reiterate that the success of the Steinhoff Group Settlement is dependent on both this Proposal and the SIHNV Composition Plan becoming effective, so that there is a resolution of all or substantially all of the Litigation and potential recourse claims in both estates. It is

²⁰²⁷ Section 155(3)(b)(vi): Benefits of the Proposal as compared to liquidation.



important for key stakeholders with interests in both estates, including Financial Creditors and those who hold MPC Relevant Claims deriving from purchases of both SIHPL Shares and SIHNV Shares, that there is an overall compromise in respect of all of their claims. Moreover, from the Steinhoff Group's perspective, a resolution in one estate only (leaving aside the question of whether that would be supported by key stakeholders) would not achieve key objectives sought by the Steinhoff Group, including the removal of the overhang of the Litigation and potential recourse claims from the Steinhoff Group's operating businesses and putting an end to the ongoing costs and substantial diversion of management time associated with the Litigation.

Benefits to all three Classes of Scheme Creditors

26.2 ~~31.2~~ This Proposal provides a level of certainty to the Scheme Creditors that would not necessarily be available to them if they continue with their respective legal proceedings, and/or if SIHPL is liquidated. In this regard, Scheme Creditors are referred to the Liquidation Comparators set out in clause ~~29~~24.

26.3 ~~31.3~~ If this Proposal is Adopted and becomes effective, there will be a moratorium on and, ultimately, a withdrawal of, all legal proceedings that have been instituted against SIHPL by the Scheme Creditors. The suspension of such legal proceedings will be to the significant benefit of the Scheme Creditors, as the incurrence of significant legal fees will be avoided.

26.4 ~~31.4~~ SIHPL has calculated the value of the assets to be distributed to the Scheme Creditors under this Proposal on the basis that the estimated liquidator's fees and charges, as well as legal fees which will be incurred should the litigation against Scheme Creditors continue, will accordingly not be incurred, which allows SIHPL, in terms of this Proposal, to increase the monetary sum that is available for distribution to Scheme Creditors.

26.5 ~~31.5~~ This Proposal provides for the settlement of Scheme Creditors over a period of time that is likely to be materially shorter than would be the case if SIHPL is liquidated and/or the legal proceedings of the Scheme Creditors against SIHPL continue, and in this regard -



- [26.5.1](#) ~~31.5.1~~ the fees and costs associated with giving effect to this Proposal will be significantly lower than the liquidation costs that will be incurred if SIHPL is liquidated;
- [26.5.2](#) ~~31.5.2~~ in the event of a liquidation of SIHPL, the liquidator will be entitled to charge reasonable remuneration for the discharge of his or her functions and duties as liquidator. In addition, there are significant administration fees and costs that will be incurred in a liquidation, which will be borne by SIHPL, and, indirectly, by the Scheme Creditors; and
- [26.5.3](#) ~~31.5.3~~ these fees and costs will be avoided in the event that SIHPL is not liquidated and if a settlement is concluded on the terms proposed in this Proposal, which would be to the benefit of the Scheme Creditors.
- [26.6](#) ~~31.6~~ Avoiding the continuation of legal proceedings brought by Scheme Creditors, in turn permits those relevant Scheme Creditors to avoid the significant costs ~~and~~ time and uncertainty associated with those proceedings. ~~31.7 In short, this Proposal offers a better return to the Scheme Creditors than that which is likely to be available to them should SIHPL be liquidated.~~ Coupled with this is the fact that the process envisaged by this Proposal will be more certain and is likely to be implemented more speedily than will be the case if SIHPL is liquidated.
- [26.7](#) In short, SIHPL believes this Proposal is likely to offer better or at least comparable returns to Scheme Creditors, and over a shorter period, than the returns which are likely to be available to them should SIHPL be liquidated.

Benefits to the Financial Creditors

- [26.8](#) ~~31.8~~ The Financial Creditors will receive the benefit of the certainty that will come from the fact that the Contractual Claimants and the SIHPL Market Purchase Claimants will be settled and their claims against SIHPL will be extinguished.
- [26.9](#) ~~31.9~~ The Financial Creditors will, subject to the prior-ranking claims created by the settlement and pari-ranking claims, have recourse to SIHPL's residual assets over time once the Contractual Claimants and the SIHPL Market Purchase Claimants are settled, in ~~terms of the Amended SIHPL CPU~~ accordance with the terms of this Proposal (in particular pursuant to the S155 Settlement Note).



Benefits to the Contractual Claimants

- 26.10 ~~34.10~~ The Contractual Claimants will be able to avoid the costs ~~and~~, time and uncertainty associated with pursuing their litigation against SIHPL, as well as the uncertainties inherent in any litigation (and the lengthy appeals process that may follow any judgment handed down in the High Court), in exchange for the benefits of a sum which is certain.
- 26.11 ~~34.11~~ As appears from the Universal Comparator, ~~all~~ the Contractual Claimants are expected to receive a higher or comparable return in terms of this Proposal, than they would in the event of the liquidation of SIHPL, where all creditors (i.e. not only those who are part of the three Classes of Scheme Creditors to whom this Proposal is addressed) could seek to prove their claims against SIHPL, and share in the distribution of SIHPL's assets.
- 26.12 ~~34.12~~ Even if the Contractual Claimants take the view that they are more likely to receive a better dividend on liquidation (if, for instance, the Contractual Claimants take the view that a liquidation is more likely to be conducted on the basis of the Limited Comparator), there is no guarantee that this will in fact be the case. The Contractual Claimants will first be required to finally prove their claims (likely to involve appeals) and SIHPL, even in liquidation, is likely to defend those claims. Moreover, in a liquidation scenario, a significant number of SIHPL Market Purchase Claimants and Non-Qualifying Claimants will likely seek to prove their claims against SIHPL's estate. Moreover, such claimants may seek to do so at values which exceed the values put on them by SIHPL for the purposes of the Universal Comparator. If such attempts are opposed by the liquidators or Contractual Claimants, this will likely result in costly, time-consuming and unpredictable litigation, thereby delaying the conclusion of the winding-up of SIHPL's estate. ~~In any event, given the proposed settlement of the Titan Claims, the Proposal favours the Contractual Claimants when compared to either of the Liquidation Comparators.~~
- 26.13 ~~34.13~~ The Contractual Claimants will also appreciate that there are significant dangers and risks associated with any attempt to exclude the SIHPL Market Purchase Claimants from this Proposal. The Contractual Claimants will appreciate that a number of the SIHPL Market Purchase Claimants who have instituted legal



proceedings have asserted that their claims fall outside of existing High Court judgments which may be a bar to the success of those claims. The most recent judgments in this regard may be overturned by a higher court, or a contrary judgment may be given, and in such a case there is a risk that if all of SIHPL's assets are utilised only for the benefit of Financial Creditors and Contractual Claimants, those settlement distributions could be at risk of being attacked by the SIHPL Market Purchase Claimants should they be excluded from this Proposal.

Benefits to the SIHPL Market Purchase Claimants

[26.14](#) ~~31.14~~ Pursuant to the Steinhoff Group Settlement, the settlement of MPC Relevant Claims, whether they be of SIHPL Market Purchase Claimants under this Proposal or of SIHNV Market Purchase Claimants under the SIHNV Composition Plan, is proposed on the basis that the compensation for all such claims should be determined according to the same [claims determination and valuation](#) methodology, regardless of whether such claims derive from purchases of SIHPL Shares or SIHNV Shares and, therefore, regardless of which of the estates carries a contingent liability in respect of any given claim. That approach brings the advantages of (i) consistency and (ii) relevant simplicity and manageability, relative to any attempt to construct different ~~settlement outcomes~~ [claims determination and valuation methodologies](#) for SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants.

[26.15](#) ~~31.15~~ In SIHPL and SIHNV's view, any attempt to construct such different ~~outcomes~~ [methodologies](#) would face serious substantive and procedural challenges. In particular, there would inevitably be debate in any given case as to whether a MPC Relevant Claim should properly be classified as that of a SIHPL Market Purchase Claimant or a SIHNV Market Purchase Claimant. In this respect, a number of claimants have asserted claims against SIHNV in respect of purchases of SIHPL Shares prior to the Scheme of Arrangement, alleged either on a "successor" basis or on the basis that SIHNV was party to the proposal materials with respect to the Scheme of Arrangement. Although the legal validity of such allegations is denied by SIHNV and was doubted in the *De Bruyn* judgment, they may nonetheless be pursued. Conversely, other claimants have asserted liability for SIHPL in respect of SIHNV Shares purchased following the Scheme of Arrangement, on the alleged basis that SIHPL remained responsible for some period of time for its historical



financial statements that remained in the public domain. SIHPL denies such allegations but, again, they may nonetheless be pursued. Any such controversy would be complicated further by the question of whether the relevant claim or claims was governed by Dutch law, South African law or German law (or any combination of the same).

26.16 ~~31.16~~ The effect of the Proposal, in combination with the SIHNV Composition Plan and the SSSA, is to render such arguments irrelevant by ensuring that all claimants in respect of MPC Relevant Claims receive settlement consideration (at all times subject to its applicable terms) calculated ~~on~~ according to the same claims determination and valuation methodology (the Steinhoff Allocation Plan), ~~and administered by the same entity (the SRF) and allocated from the same source (the assets to be set aside by SIHNV and the funds to be contributed by the Deloitte Firms and the D&O Insurers for the settlement of, amongst other things, MPC Relevant Claims)~~. Such an approach facilitates very considerable efficiencies with respect to claim submission, verification and payment, which are highly desirable in the context of a complex settlement such as this.

26.17 ~~31.17~~ SIHPL ~~and SIHNV also consider the approach to be fair to all MPC Relevant Claimants. It notes in this respect that it~~ is very difficult to make definitive judgements about the relative merits of the claims of a SIHPL Market Purchase Claimant or a SIHNV Market Purchase Claimant, or the relative merits of MPC Relevant Claims asserted under, or properly governed by, South African, Dutch or German law. Under each system of law, complex questions arise as to matters of liability, causation, remoteness and loss, and such matters are inevitably affected in each case by the particular facts relevant to a given claim. ~~There are~~ The effect of this Proposal and the SIHNV Composition Plan will be that Market Purchase Claimants will not have to undergo costly and lengthy legal proceedings to fully determine the applicable law, however, two important considerations that have been weighed when making this Proposal: validity and quantum of their claims.

26.18 As noted above, the sources, and therefore likely quantum, of recoveries for SIHPL Market Purchase Claimants and SIHNV Market Purchase Claimants will however differ. All Market Purchase Claimants will be entitled to recoveries from the SoP Settlement Fund, whilst SIHPL Market Purchase Claimants will additionally be entitled to recoveries from the SIHPL MPC Settlement Fund.



26.19 Two further important considerations have been weighed when making this Proposal:

26.19.1 ~~31.17.1~~ the first is that, if the claims of SIHPL Market Purchase Claimants were to be successfully litigated (contrary to SIHPL's denials in that respect), the Universal Comparator shows that they would be likely to receive a greater percentage recovery in a liquidation of SIHPL than a successful SIHNV Market Purchase Claim would be likely to receive in a liquidation of SIHNV; however

26.19.2 ~~31.17.2~~ the second and countervailing consideration is that the current state of South African law casts doubt on whether the SIHPL Market Purchase Claimants have legally enforceable claims against SIHPL. The only class action instituted in South Africa against inter alia SIHPL and SIHNV (*De Bruyn v Steinhoff International Holdings N.V. and Others* (29290/2018) [2020] ZAGPJHC 145 (26 June 2020)), where shareholders sought certification to allow them to proceed to institute a claim for damages as shareholders, failed on the basis that the South Gauteng Division of the High Court of South Africa found that no such claims exist under South African law. In SIHPL's view, the *De Bruyn* judgment has determined that claims on all fours with those of SIHPL Market Purchase Claimants are not viable under South African law. Assuming there were to be a consistent outcome in all South African litigation in that respect, the Limited Comparator shows that SIHPL Market Purchase Claimants would receive a lesser percentage recovery in a liquidation of SIHPL (i.e. zero) than a successful SIHNV Market Purchase Claim would be likely to receive in a liquidation of SIHNV. Neither SIHNV nor SIHPL is aware of a comparably adverse precedent under Dutch or German law. While this is disputed by ~~a number of the~~ certain SIHPL Market Purchase Claimants, those SIHPL Market Purchase Claimants will either be required to demonstrate to a Court in due course why their claims are not subject to existing legal precedent, or to depend on the possibility that a Court may at some point in the future disagree with the legal precedent as it presently stands.

26.20 ~~31.18~~ This Proposal also takes cognisance of that fact, together with the additional difficulties that the SIHPL Market Purchase Claimants will face in prosecuting and successfully proving their claims. In this regard, those representing large groups of



SIHPL Market Purchase Claimants will need to rely upon the testimony of hundreds, if not thousands, of individuals on whose behalf they seek redress, or from whom they have acquired their alleged claims. The trials in those matters may take many months, if not years, to be finalised in the High Court, and will almost inevitably be followed by appeals which will further delay the final determination of these claims.

26.21 ~~31.19~~ Weighing these considerations together, SIHPL is of the view that the Proposal represents a fair compromise for SIHPL Market Purchase Claimants. It represents a recovery that falls ~~between~~ close to the ~~outcomes~~ outcome under the Universal Comparator and ~~the Limited Comparator. Most~~ , importantly, it represents a very material improvement on the outcome under the Limited Comparator which, in the light of the judgment in *De Bruyn*, can be properly regarded as the more likely counterfactual. ~~Further, the alignment of the Proposal with that made for SIHNV Market Purchase Claimants brings with it all the advantages and efficiencies identified above.~~

26.22 ~~31.20~~ ~~Such alignment means that, if~~ If the Proposal is successful and the Proposal Settlement Effective Date occurs, and as described in detail above, the final settlement outcome for SIHPL Market Purchase Claimants will be determined ~~on the same basis as the final settlement outcome for SIHNV Market Purchase Claimants. As described in detail in clause 20.4 for both sets of claimants in respect of MPC Relevant Claims, that will be a function of the ratio that the settlement consideration made available by SIHNV bears to the total admitted and verified Claim Values of all (i) MPC Relevant Claims successfully submitted by the Bar Date and (ii) SIHNV Contractual Claims.~~

26.22.1 in respect of the settlement consideration made available by SIHNV pursuant to the SoP Settlement Fund, as a function of the ratio that such consideration bears to the total admitted and verified Claim Values of all (i) MPC Relevant Claims successfully filed by the Bar Date and (ii) SIHNV Contractual Claims;
and

26.22.2 in respect of the settlement consideration made available by SIHPL pursuant to the SIHPL MPC Settlement Fund, as a function of the ratio that such consideration bears to the total admitted and verified Claim Values of all SIHPL MPC Relevant Claims successfully filed by the Bar Date.



26.23 ~~31.21~~ Analysis Group has assisted SIHPL ~~and SIHNV~~ in assessing the likely range of outcomes ~~in that respect~~ for Market Purchase Claimants under this Proposal, as well as in the event of a liquidation of SIHPL, the details of which are set out in Annexure D. In summary: the baseline estimated settlement recovery under this Proposal for SIHPL MPC Relevant Claims of SIHPL Market Purchase Claimants is 15.1 cents in the Rand, calculated as at 31 August 2021, and depending on variations in Claim Values, Analysis Group conclude that settlement recovery for SIHPL MPC Relevant Claims should in any event fall between 15.1 and 23.7 cents in the Rand.

~~31.21.1~~ ~~using claim values estimated by Analysis Group based on available data at the date of this Proposal, the average estimated settlement recovery for MPC Relevant Claims, including those of SIHPL Market Purchase Claimants, is 5.0 cents in the Rand, calculated as at 31 March 2021; and~~

~~31.21.2~~ ~~depending on variations in Claim Values, Analysis Group conclude that settlement recovery for MPC Relevant Claims should in any event fall between 4.0 and 6.6 cents in the Rand.~~

26.24 ~~31.22~~ Again, any such recovery for SIHPL Market Purchase Claimants will represent a recovery close to the Universal Comparator and a very material improvement on the outcome under the Limited Comparator.

26.25 ~~31.23~~ SIHPL Market Purchase Claimants are advised that the range of outcomes set out above do not take into account the D&O Insurers Market Purchase Claimants Offer and the D&O Steinhoff Additional Support Offer and the Deloitte Market Purchase Claimants Offer and the Deloitte Steinhoff Additional Support Offer.



PART C – ASSUMPTIONS AND CONDITIONS

27 ~~32~~ PROPOSAL EFFECTIVENESS

27.1 ~~32.1~~ This Proposal will only come into effect if all of the Suspensive Conditions set out in clause ~~33~~28 of this Proposal have been fulfilled. The Suspensive Conditions cannot be waived.²⁴28

27.2 ~~32.2~~ The ability to fully implement this Proposal is based on the assumption that there will be no material adverse events which may impact the ability of SIHPL and/or SIHNV to Settle their obligations under this Proposal. In this event, SIHPL reserves the right to withdraw this Proposal at any stage prior to Sanction.

28 ~~33~~ SUSPENSIVE CONDITIONS

28.1 ~~33.1~~ The effectiveness of this Proposal is conditional upon:

28.1.1 the requisite approval of the Steinhoff financial creditors;

28.1.2 any requisite approval of the Financial Surveillance Department of the South African Reserve Bank in respect of the settlement proceeds;

28.1.3 ~~33.1.1~~ the occurrence of the SoP Effective Date (as defined in the SIHNV Composition Plan), being the date on which the judgment of confirmation (*homologatie*) of the SIHNV Composition Plan has become final and unappealable (*in kracht van gewijsde*), resulting in a termination of the SoP pursuant to Section 276 Dutch Bankruptcy Act (*Faillissementswet*); and

28.1.4 ~~33.1.2~~ the approval and sanction by the High Court of the Proposal as contemplated in section 155(7) of the Companies Act, and the Court Order becoming final in effect and not subject to any further appeal, review, etc.

28.2 ~~33.2~~ Once the Suspensive Conditions described above are satisfied, the terms of this Proposal will become effective and each Scheme Creditor will be bound by this

²⁴28 Section 155(3)(c)(i): Conditions for operation and implementation.



Proposal, regardless of whether or not such Scheme Creditor has filed its claim with the Claims Administrator.

28.3 If the Suspensive Conditions are not fulfilled for any reason whatsoever, then:

28.3.1 ~~33.2.1~~ this Proposal, or any part of it, shall be of no force or effect; and

28.3.2 ~~33.2.2~~ neither the Scheme Creditors nor SIHPL shall have any claim against the other arising from, and in terms of, this Proposal.

29 ~~34~~ EMPLOYEES AND PROJECTED BALANCE SHEET

29.1 ~~34.1~~ SIHPL has no employees.²²²⁹

29.2 ~~34.2~~ A projected balance sheet for SIHPL is annexed marked Annexure E, and has been prepared on the assumption that this Proposal is Adopted, and approved and sanctioned by the High Court as contemplated in section 155(7) of the Companies Act.

29.3 ~~34.3~~ A projected statement of income and expenses for SIHPL for the ensuing three years following the Proposal Date is annexed marked Annexure E, and has been prepared by SIHPL on the assumption that this Proposal is Adopted, and approved and sanctioned by the High Court as contemplated in section 155(7) of the Companies Act.²³³⁰

30 ~~35~~ LIMITATION OF LIABILITY OF THE RELEASED PARTIES

30.1 ~~35.1~~ Subject to clause ~~35.2~~ 30.2, none of the Released Parties or Released Parties' respective legal advisers (including, but not limited to, Werksmans Inc.) shall have any role in, responsibility for, or liability arising from the implementation of the Steinhoff Allocation Plan, the form, substance, method or manner of distribution, the administration or distribution of the ~~SoP Settlement Fund~~ Funds or the settlements to be distributed to the Contractual Claimants, any tax liability that a

²²²⁹ Section 155(3)(c)(ii): Effect on employees.

²³³⁰ Sections 155(3)(c)(iii) and 155(4): Projected balance sheet and income statement.



Scheme Creditor may incur as a result of the SRF and Claims Administration Conditions and/or this Proposal or as a result of any action taken pursuant to the SRF and Claims Administration Conditions and/or this Proposal, or the administration or processing of claims, including, without limitation, the determination of the amounts to be distributed to each Scheme Creditor or the determination of the validity of a ~~submitted~~ filed claim for payment from the ~~SoP~~ Settlement ~~Fund~~Funds.

30.2 ~~35.2~~ An employee of the Steinhoff Group will serve as a board member of the SRF next to 2 (two) independent board members.

31 ~~36~~ VOTING PROCEDURES

31.1 ~~36.1~~ This Proposal shall be put to a separate vote by each of the Classes of Scheme Creditors at ~~the Meeting~~ separate Meetings.

31.2 ~~The~~ Each Meeting shall be a virtual meeting, conducted entirely via electronic communication. The details pertaining to registration for, attendance and participation at and voting during ~~36.2~~ ~~the~~ each virtual Meeting (as well as details relating to appointment of proxies) will be delivered to verified Scheme Creditors by way of email, SENS announcements and publication on www.SteinhoffSettlement.com once the verification process has been completed.

31.3 ~~36.3~~ Each Scheme Creditor may attend the virtual Meeting for the purposes of voting or may authorise a third party to vote on his or her behalf at the virtual Meeting.

~~36.4~~ ~~All Scheme Creditors are required to submit a valid SIHPL Filing Instruction to the Claims Administrator at least 72 hours prior to the Meeting. The SIHPL Filing Instruction will allow a Scheme Creditor to elect whether it wishes to~~

~~36.4.1~~ ~~attend the Meeting personally and vote at the Meeting; or~~

~~36.4.2~~ ~~appoint a proxy to attend the Meeting and vote at the Meeting on its behalf.~~

~~36.5~~ ~~A Scheme Creditor is entitled in the SIHPL Filing Instruction to appoint and instruct either the Chair or a third party to act as proxy to~~

~~36.5.1~~ ~~file its Claim with the Claims Administrator for verification under the Proposal;~~
~~and~~



~~36.5.2~~ ~~vote at the Meeting in respect of this Proposal on its behalf and take all actions necessary in this regard.~~

31.4 SIHPL Market Purchase Claimants who have been verified in accordance with clause 19 and Part A of clause 20 above, will receive registration details in respect of the Meeting by email. To the extent that a verified SIHPL Market Purchase Claimant wishes to appoint a proxy (be it the Chair or a third party) to attend and vote at the Meeting in its stead, such SIHPL Market Purchase Claimant must complete and submit a proxy form at least 96 hours prior to the Meeting. Proxy forms will be available under the 's155 Virtual Meeting' tab on www.SteinhoffSettlement.com, and will contain instructions in respect of the completion and submission thereof.

31.5 Contractual Claimants who wish to attend and vote at the Meeting must complete a SIHPL Filing Instruction (in the form set out in Annexure H) and submit it to the Claims Administrator no later than 5 Business Days prior to the Meeting, in accordance with the instructions contained therein. To the extent that a Contractual Claimant wishes to appoint a proxy (be it the Chair or a third party) to attend and vote at the Meeting in its stead, such Contractual Claimant must complete and submit a proxy form at least 96 hours prior to the Meeting. Proxy forms will be available under the 's155 Virtual Meeting' tab on www.SteinhoffSettlement.com, and will contain instructions in respect of the completion and submission thereof.

31.6 Each Financial Creditor (or such Financial Creditor's duly authorised representatives) must use the SIHPL Filing Instruction to be distributed to the Financial Creditors by Global Loan Agency Services Limited in due course, and must follow the instructions and adhere to the deadlines set out therein. **The SIHPL Filing Instruction** provides for a voting election to be made by the Financial Creditor, which voting election will be communicated to the Chair during the Meeting.

31.7 ~~36.6~~ For the purposes of submitting a SIHPL Filing Instruction -

31.7.1 ~~36.6.1~~ each SIHPL Market Purchase Claimant must use the SIHPL Filing Instruction included in the Online Claim Form available at www.SteinhoffSettlement.com;



31.7.2 ~~36.6.2~~ each Claimant Representative must use the SIHPL Filing Instruction included in the Master Claim Form available at www.SteinhoffSettlement.com; and

31.7.3 each Financial Creditor (or such Financial Creditor's duly authorised representatives) must use the SIHPL Filing Instruction to be distributed to the Financial Creditors by Global Loan Agency Services Limited in due course, and must follow the instructions and adhere to the deadlines set out therein; and

31.7.4 ~~36.6.3 each other Scheme Creditor (i.e. the Contractual Claimants and the Financial Creditors or their~~ each Contractual Claimant (or such Contractual Claimant's duly authorised representatives) must use the SIHPL Filing Instruction substantially in the form as set out in Annexure H.



MISCELLANEOUS TERMS AND CONDITIONS

32 ~~37~~ LIMITED RECOURSE

32.1 ~~37.1~~ Subject to the ~~fulfilment of the Suspensive Conditions~~ occurrence of the Settlement Effective Date, the payment to the SRF of the Gross Cash Settlement ~~Fund Funds~~ and the SRF assuming control over the Gross Share Settlement ~~Fund Funds~~, each Scheme Creditor agrees that any recourse for its unsecured, non-preferred claims against SIHPL, SIHNV or the SRF shall be limited to the terms of the compromise and/or the ~~payments~~ payment that it is entitled to receive in accordance with this Proposal from the SRF and/or SIHPL and no Scheme Creditor shall have any further right of recourse against SIHPL, SIHNV, the SRF or any current or former Steinhoff Group Company. This clause ~~37~~ 32 contains an irrevocable third-party stipulation for the benefit of SIHPL, SIHNV, the SRF and the current and former Steinhoff Group Companies.

33 ~~38~~ NO ADMISSION OF LIABILITY

33.1 ~~38.1~~ None of SIHPL, ~~nor any Steinhoff Group Company,~~ nor any of the other Released Parties, Audit Firm or any other Deloitte Beneficiary, nor any D&O Beneficiary admits any wrongdoing or assumes any liability arising from or related to the Events and/or the Allegations or any other grounds or events underpinning the Contractual Claims or the SIHNV Contractual Claims or the MPC Relevant Claims. ~~Any~~ Accordingly, any payment made or compromise effected pursuant to this Proposal should not be construed as an acknowledgement or admission of the existence or merits of any wrongdoing or liability in relation to the Events and/or the Allegations, the Contractual Claims, the SIHNV Contractual Claims or the MPC Relevant Claims or, in relation to admissibility, the standing or authority of the Claimant Representatives and any Scheme Creditor or SIHNV Creditor or the validity of any application, request, demand, requested order and/or litigation filed by them, and the terms of this Proposal shall not be used as evidence of such.



34 ~~39~~ **SUSPENSION OF LIMITATION PERIODS**

34.1 ~~39.1~~ SIHPL and the SRF will not raise any Limitation Defence that relies on time running commencing on any moment in time until the Bar Date, to the extent the relevant claim was validly ~~submitted~~ filed on or before the Bar Date.

35 ~~40~~ **ABILITY TO AMEND THE PROPOSAL**

35.1 ~~40.1~~ SIHPL may amend, modify or vary ("**Amendment**") any provision of this Proposal -

35.1.1 ~~40.1.1~~ by agreement with a specific Scheme Creditor or group of Scheme Creditors, where the Amendment relates only to those Scheme Creditors and does not prejudice other Scheme Creditors;

35.1.2 ~~40.1.2~~ provided that the Amendment is supported by the Scheme Creditors in terms of section 155(6) of the Companies Act, if the amendment will prejudice Scheme Creditors, or, without the support of Scheme Creditors, if the amendment will not prejudice Scheme Creditors and if SIHPL acts reasonably; and

35.1.3 ~~40.1.3~~ where the Amendment takes place following Sanction, subject to the Amendment being approved and sanctioned by the High Court, in terms of section 155(7)(b) of the Companies Act.

36 ~~41~~ **SEVERABILITY**

36.1 ~~41.1~~ Each provision of this Proposal is, notwithstanding the grammatical relationship between that provision and the other provisions of the Proposal, severable from the other provisions of this Proposal.

36.2 ~~41.2~~ Any provision of this Proposal that is or becomes invalid, unenforceable or unlawful in any jurisdiction shall, in such jurisdiction only, be treated as *pro non scripto* to the extent that it is so invalid, unenforceable or unlawful, without invalidating or affecting the remaining provisions of the Proposal which shall remain of full force and effect.



36.3 ~~41.3~~ For the avoidance of doubt, should the Court during the application to Sanction the Proposal require any aspect of this Proposal to be severed from this Proposal as a condition to Sanction, SIHPL shall give effect to the requirements of the Court, and no person shall acquire or establish a claim against SIHPL as a consequence thereof, whether under this Proposal or otherwise.

36.4 ~~41.4~~ The Board declares that it is its intention that this Proposal would be executed without such invalid, unenforceable or unlawful provision as if it were aware of such invalidity, unenforceability or unlawfulness at the time of execution of this Proposal.

37 ~~42~~ GOVERNING LAW AND JURISDICTION

37.1 ~~42.1~~ This Proposal shall in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by South African law, save with respect to disputes referred to the Dispute Committee in accordance with the provisions of this Proposal and its annexures.

37.2 ~~42.2~~ Each of the Parties hereby submits itself to the non-exclusive jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town with respect to any disputes arising out of or in connection with this Proposal, other than disputes referred to the Dispute Committee in accordance with clause ~~24-21~~ of this Proposal.

38 ~~43~~ BOARD'S RECOMMENDATION AND CERTIFICATE

38.1 ~~43.1~~ The Board recommends that Scheme Creditors vote in favour of this Proposal on the basis that it is likely that this Proposal will result in the Scheme Creditors receiving more than would be the case if SIHPL is liquidated.

38.2 ~~43.2~~ Each member of the Board hereby acknowledges and confirms that, ~~to the best of their knowledge and belief~~ -

38.2.1 ~~43.2.1~~ any factual information provided in this Proposal ~~is~~ appears accurate, complete and up to date; and

38.2.2 ~~43.2.2~~ any projections provided are estimates made in good faith on the basis of factual information and ~~based on the~~ assumptions set out in this Proposal.



39 ~~44~~ SIGNATURE

Each signatory to this Proposal by its signature hereof binds itself to this Proposal to the extent that it imposes any obligations on it.

****SIGNATURE PAGE FOLLOWS****



Signed at _____ on _____ 2021

for **STEINHOFF INTERNATIONAL
HOLDINGS PROPRIETARY LIMITED**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he-/she is duly
authorised hereto

Signed at _____ on _____ 2021

for **STEINHOFF INTERNATIONAL
HOLDINGS N.V.**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he-/she is duly
authorised hereto

Signed at _____ on _____ 2021

for **STEINHOFF INVESTMENT HOLDINGS
LIMITED**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he-/she is duly
authorised hereto



Signed at _____ on _____ 2021
for **STEINHOFF AFRICA HOLDINGS
PROPRIETARY LIMITED**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he-/she is duly
authorised hereto

Signed at _____ on _____ 2021
for **AINSLEY HOLDINGS PROPRIETARY
LIMITED**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he-/she is duly
authorised hereto

Signed at _____ on _____ 2021
_____ for **STEINHOFF AT WORK PROPRIETARY
LIMITED**

SIGNED BY AUTHORISED SIGNATORY

who warrants that he/she is duly
authorised hereto



ANNEXURE A -- DEFINITIONS

1 INTERPRETATION

In this SIHPL Proposal, clause headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention, -

- 1.1 a word or an expression which denotes -
 - 1.1.1 any gender includes the other gender;
 - 1.1.2 a natural person includes an artificial or juristic person and *vice versa*;
 - 1.1.3 the singular includes the plural and *vice versa*;
- 1.2 any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the Proposal Date, and as amended or substituted from time to time;
- 1.3 if any provision in a definition is a substantive provision conferring a right or imposing an obligation on any person then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of this SIHPL Proposal;
- 1.4 where any term is defined within a particular clause other than this Annexure A, that term shall bear the meaning ascribed to it in that clause wherever it is used in this SIHPL Proposal;
- 1.5 where any number of days is to be calculated from a particular day, such number shall be calculated as excluding such particular day and commencing on the next day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the next succeeding day which is a Business Day;



- 1.6 any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, calendar months or calendar years, respectively;
- 1.7 any reference to a “clause” shall be a reference to a clause of this Proposal;
- 1.8 the use of the word "**including**", "**includes**" or "**include**" followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;
- 1.9 to the extent that any provision of this SIHPL Proposal is ambiguous, it is to be interpreted in a manner that is consistent with the purpose of section 155 of the Companies Act;
- 1.10 unless otherwise stated, all references to sections in this SIHPL Proposal are references to sections in the Companies Act; and
- 1.11 all information provided in this SIHPL Proposal is reflected as at the Proposal Date, unless otherwise indicated in this SIHPL Proposal.

2 DEFINITIONS

The following words and expressions shall bear the meanings assigned to them below and cognate words and expressions bear corresponding meanings –

- 2.1 **"Adopted"** –
 - 2.1.1 in relation to each Class of Scheme Creditors, the adoption of this Proposal by that Class of Scheme Creditors by a majority in number representing not less than 75% in value of such Class of Scheme Creditors, present and voting in person or by proxy at meetings called for that purpose; and



2.1.2 in relation to this Proposal, the adoption of this Proposal in the manner described in clause 2.1.1 by **all** Classes of Scheme Creditors,

and "**Adopt**" and "**Adoption**" shall have corresponding meanings;

2.2 "**Ainsley**" – Ainsley Holdings Proprietary Limited, registration number 1964/010191/07, a private company with limited liability registered in accordance with the company laws of South Africa, having its registered address at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600, Western Cape, South Africa;

2.3 "**Allegations**" – the allegations referred to in clauses 1.10 through 1.12 inclusive;

~~2.4 "**Amended SIHPL CPU**" – the SIHPL CPU as amended on the terms set out in the document that can be accessed at www.SteinhoffSettlement.com;~~

2.4 ~~2.5~~ "**Analysis Group**" – Analysis Group, Ltd., the economics expert retained by SIHPL and SIHNV;

2.5 ~~2.6~~ "**Audit Firm**" – means an audit firm performing or having at any time performed audit and other services for SIHNV, SIHPL, any other current and/or former Steinhoff Group Company or related entities, and/or any external valuation professional and/or any third parties that undertook a materially similar role as well as any other audit firm which is a member of the same network of firms, including but not limited to the Deloitte Firms and Deloitte Touche Tohmatsu Limited and any other firm which is a member or affiliate of the Deloitte Touche Tohmatsu Limited network of firms, and any of their current and former partners, principals, shareholders, auditors, directors (managing or supervisory), officers, employees, direct or indirect holding company (or companies), affiliates and direct or indirect ~~subsidiaries~~ Subsidiaries, successors and assigns;

2.6 ~~2.7~~ "**Bar Date**" – the date falling three months after the Settlement Effective Date;

2.7 ~~2.8~~ "**Board**" – the board of directors of SIHPL, as at the Proposal Date;



- 2.8 ~~2.9~~ **"Business Day"** – any day which is not a Saturday, a Sunday or an official public holiday in each of Johannesburg, Amsterdam, Frankfurt and London;
- 2.9 ~~2.10~~ **"BVI"** – Business Venture Investments No 1499 (RF) Proprietary Limited;
- 2.10 ~~2.11~~ **"Chair"** – ~~Advocate John Newdigate SC, who is responsible for~~ the person appointed by SIHPL for purposes of presiding over the Meeting;
- 2.11 ~~2.12~~ **"CIPC"** – the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- 2.12 ~~2.13~~ **"Claim Determination"** – shall have the meaning ascribed thereto in clause ~~23.8~~ 20.9;
- 2.13 ~~2.14~~ **"Claim Form"** – a Master Claim Form and/or an Online Claim Form;
- 2.14 ~~2.15~~ **"Claim Value"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- 2.15 ~~2.16~~ **"Claimant Representatives"** – collectively the following parties -
- 2.15.1 ~~2.16.1~~ Burford Capital LLC, a limited liability company incorporated under the laws of Delaware with registered number 6607465;
- 2.15.2 ~~2.16.2~~ Deminor Recovery Services (Luxembourg) ~~S. á r. l.~~ S.A., a company incorporated under the laws of Luxembourg with registered number B175299 and DRS Belgium ~~S.C.R.L.~~ S.R.L., a company incorporated under the laws of Belgium with registered number 0452 511 928;
- 2.15.3 ~~2.16.3~~ Hamilton;
- 2.15.4 ~~2.16.4~~ Innsworth;
- 2.15.5 ~~2.16.5~~ Grant & Eisenhofer P.A. and Kessler Topaz Meltzer & Check, LLP; and



2.15.6 ~~2.16.6~~ ISLG,

and "**Claimant Representative**" shall be a reference to any one of them, as the context may require. For the avoidance of doubt: for each of Hamilton and Innsworth, a reference to "Claimant Representative" shall also be deemed to be a reference to Hamilton and Innsworth in their capacity as Market Purchase Claimant, if applicable;

2.16 ~~2.17~~ "**Claims Administrator**" – has the meaning ascribed thereto in the SRF and Claims Administration Conditions;

2.17 ~~2.18~~ "**Classes of Scheme Creditors**" – the classes of creditors to whom this Proposal is made, being –

2.17.1 ~~2.18.1~~ the Contractual Claimants;

2.17.2 ~~2.18.2~~ the SIHPL Market Purchase Claimants; and

2.17.3 ~~2.18.3~~ the Financial Creditors,

and each a "**Class of Scheme Creditors**";

2.18 ~~2.19~~ "**Companies Act**" – the Companies Act No. 71 of 2008, as amended, including the regulations promulgated thereunder;

2.19 ~~2.20~~ "**Computershare**" – Computershare Investor Services plc.;

~~2.21 "Consent Request" – shall have the meaning ascribed thereto in clause 4.25 of this Proposal;~~

2.20 ~~2.22~~ "**Conservatorium**" – Conservatorium Holdings LLC, a company incorporated under the laws of Delaware, United States ~~of America~~, with its principal place of business at 1209 Orange Street, Wilmington, Delaware, United States;

2.21 ~~2.23~~ "**Conservatorium Claims**" – shall have the meaning ascribed thereto in clause ~~4.36~~ 1.37 of this Proposal;



- 2.22 ~~2.24~~ **"Contingent Payment Undertakings"** – collectively, the SIHPL CPU and the SIHNV Contingent Payment Undertakings;
- 2.23 ~~2.25~~ **"Contractual Claim"** – a claim held by a Contractual Claimant;
- 2.24 ~~2.26~~ **"Contractual Claims Valuation Methodology"** – has the meaning ascribed thereto in clause ~~15.1~~ 13.1 of this Proposal;
- 2.25 ~~2.27~~ **"Contractual Claimants"** – collectively –
- 2.25.1 ~~2.27.1~~ Litigation claimants, which (i) instituted claims against SIHPL prior to ~~05~~ 5 December 2020, in respect of arms-length negotiated contractual arrangements under which shares in other enterprises were sold or transferred by such claimants or their related parties to SIHPL, (ii) received consideration directly from SIHPL by way of issuance, or transfer, of SIHPL Shares and (iii) whose details are set out in Annexure F, including the relevant Titan Claimants; and
- 2.25.2 ~~2.27.2~~ Mayfair in respect of the Mayfair Claim;
- 2.26 ~~2.28~~ **"Court Order"** – the Order of the High Court approving and sanctioning the Proposal in accordance with section 155(7)(a) of the Companies Act;
- 2.27 ~~2.29~~ **"Cronje et al"** – collectively, Charl André Cronjé, Jacobus Hauptfleisch du Toit, Annamie Hansen, Leon Marius Lourens, Jacobus Francois Pienaar, Johan Samuel Van Rooyen and Johan Daniël Wasserfall;
- 2.28 ~~2.30~~ **"D&Os"** – all directors, officers and other personnel of Steinhoff Group Companies and/or former Steinhoff Group Companies who work or have in any way or another worked for or been associated with a Steinhoff Group Company and/or former Steinhoff Group Company;
- 2.29 ~~2.31~~ **"D&O Beneficiaries"** – the D&O Insurers and the D&Os;
- 2.30 ~~2.32~~ **"D&O Insurers"** – the insurance companies and/or Lloyd's syndicates acting for themselves underwriting Steinhoff's (primary and excess) Directors and Officers



insurance policy with no. B080133495P17 and claim reference B080133495P17AAA (primary), B080133495P17AAB (first excess), B080133495P17AAC (second excess), B080133495P17AAD (third excess) and B080133495P17AAE (fourth excess);

- [2.31](#) ~~2.33~~ **"D&O Insurers Market Purchase Claimants Offer"** – the funds that are made available by the D&O Insurers [as an offer](#) in support of the Steinhoff Group Settlement to compensate for any losses suffered by SIHPL, SIHNV, other Steinhoff Group Companies and the Market Purchase Claimants in relation to the Events and the Allegations in the amount of up to EUR 55.5 million for distribution by SRF to the Market Purchase Claimants pursuant to the ~~SRF Settlement Documents~~ [terms of the SSSA](#) and in accordance with the SRF and Claims Administration Conditions in exchange for the releases and waivers set out herein, [in the SSSA, in the SIHNV Composition Plan and/or in any other agreement as referred to in clause 23.25 of this Proposal](#);
- [2.32](#) ~~2.34~~ **"D&O Policies"** – the **"Primary Layer D&O Policy"** and several excess layer policies that incorporate the Primary Layer D&O Policy wording with amended terms and conditions underwriting Steinhoff's (primary and excess) Directors and Officers insurance policy with no. B080133495P17 and claim reference B080133495P17AAA (primary), B080133495P17AAB (first excess), B080133495P17AAC (second excess), B080133495P17AAD (third excess) and B080133495P17AAE (fourth excess) (the **"Excess Layer D&O Policies"** and, together with the Primary Layer D&O Policy, the **"D&O Policies"**);
- [2.33](#) ~~2.35~~ **"D&O Steinhoff Additional Support Offer"** – the funds that are made available by the D&O Insurers as an offer in support of the Steinhoff Group Settlement to compensate for any losses suffered by SIHNV, SIHPL and other Steinhoff Group Companies and some Contractual Claimants and some SIHNV Contractual Claimants in relation to the Events and the Allegations in the amount of up to EUR 15 million for distribution by SRF to such Contractual Claimants pursuant to the terms of the SSSA in exchange for the releases and waivers set out herein, [in the SSSA, in the SIHNV Composition Plan and/or in any other agreement as referred to in clause 23.25 of this Proposal](#);



- [2.34](#) ~~2.36~~ **"Deficiency Notification"** – shall have the meaning ascribed thereto in clause ~~23~~[20.2 of this Proposal](#);
- [2.35](#) ~~2.37~~ **"Deloitte & Touche South Africa"** – Deloitte & Touche South Africa, a professional partnership under the laws of the Republic of South Africa registered as an auditor with the South African Independent Regulatory Board for auditors established by section 3 of the South African Audit Professions Act No. 26 of 2005, as amended, under registration number 902276;
- [2.36](#) ~~2.38~~ **"Deloitte Beneficiaries"** – the Deloitte Firms and Deloitte Touche Tohmatsu Limited and any other firm which is a member or affiliate of the Deloitte Touche Tohmatsu Limited network of firms and any of their current and former partners, principals, shareholders, auditors, direct or indirect holding company (or companies), and direct or indirect Subsidiaries, affiliates, members, partners, employees, officers and directors (managing or supervisory) of any of the aforementioned entities and their respective successors in title and assigns;
- [2.37](#) ~~2.39~~ **"Deloitte Firms"** – Deloitte NL and Deloitte & Touche South Africa;
- [2.38](#) ~~2.40~~ **"Deloitte Market Purchase Claimants Offer"** – the funds that are made available by the Deloitte Firms as an offer in support of the Steinhoff Group Settlement to compensate for any losses suffered by SIHPL, SIHNV, other Steinhoff Group Companies and the Market Purchase Claimants in relation to the Events and the Allegations in the amount of up to EUR 55.34 million for distribution by the SRF to the Market Purchase Claimants pursuant to the terms of the SSSA and in accordance with the SRF and Claims Administration Conditions in exchange for the releases and waivers set out herein, [in the SSSA, in the SIHNV Composition Plan and/or in any other agreement as referred to in clause 23.25 of this Proposal](#);
- [2.39](#) ~~2.41~~ **"Deloitte NL"** – Deloitte Accountants B.V., a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) with statutory seat in Rotterdam, the Netherlands, and its principal offices at Wilhelminakade 1, 3072 AP Rotterdam, the Netherlands, registered in the Trade Register under number 24362853;



- [2.40](#) **2.42 "Deloitte Steinhoff Additional Support Offer"** – the funds that are made available by the Deloitte firms as an offer in support of the Steinhoff Group Settlement to compensate for any losses suffered by SIHPL, SIHNV, other Steinhoff Group Companies and some Contractual Claimants and some SIHNV Contractual Claimants in relation to the Events and the Allegations in the amount of up to EUR 15 million for distribution by the SRF to such Contractual Claimants and SIHNV Contractual Claimants pursuant to the terms of the SSSA in exchange for the releases and waivers set out herein, [in the SSSA, in the SIHNV Composition Plan and/or in any other agreement as referred to in clause 23.25 of this Proposal](#);
- [2.41](#) **2.43 "Dispute Committee"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- [2.42](#) **2.44 "Dispute Committee Rules"** – the rules set out in Schedule 5 (*Dispute Committee Rules*) to the SRF and Claims Administration Conditions;
- [2.43](#) **2.45 "Disputed Claim"** – a claim of a SIHPL Market Purchase Claimant, SIHNV Market Purchase Claimant or SIHNV Contractual Claimant which is disputed pursuant to ~~clause 8.3~~ [clauses 8.4](#) and ~~8.4~~ [8.5.5\(iii\)](#) of the SIHNV Composition Plan or clause ~~24~~ [21](#) of this Proposal (as applicable) or in respect of which a dispute is pending with a competent court;
- [2.44](#) **2.46 "Disputed Claims Amount"** – shall have the meaning ascribed thereto in clause ~~22.6~~ [19.6 of this Proposal](#);
- [2.45](#) **"Disputed Contractual Claim Reserve"** - [the amount reserved in respect of the amount claimed by Mayfair on its pleadings against Steinhoff being, based on the information currently available to SIHPL, R162.2 million \(being 28.7% of R565.8 million, the estimated claim value in respect of the Mayfair Claim as of 31 August 2021 as calculated by Analysis Group\);.](#)
- [2.46](#) **"Disputed SIHPL Claims Amount"** – shall have the meaning ascribed thereto in [clause 19.9 of this Proposal](#);
- 2.47 **"Events"** – has the meaning ascribed thereto in clause 1.9 of this Proposal;



2.48 "Excluded Individuals" – shall be a reference to –

2.48.1 the Implicated D&Os;

2.48.2 the Settling D&Os;

2.48.3 at the sole discretionary determination of SIHNV and/or SIHPL (as applicable) –

2.48.3.1 any legal entities and/or individuals allegedly implicated in the Events;
and/or

2.48.3.2 any legal entities and/or individuals that are allegedly recipients of payments by Steinhoff Group Companies or third parties made in the context of the Events, without legal cause, justification or due consideration, including but not limited to, claims arising from the overpayment of dividends, interest charges, acquisitions in respect of which there were overpayments, or incorrectly made payments, costs related to the engagement of legal professionals and other advisers and penalties paid in the context of the Events;

2.48.4 ~~"Excluded Individuals 2.48" – Markus Jooste, Benjamin La Grange, Stéhan Grobler, Dirk Schreiber and Siegmar Schmidt and any of their~~ at the sole discretionary determination of SIHNV and/or SIHPL (as applicable): any family members and affiliated entities of the Excluded Individuals (including any entity in which the aforementioned individuals have a beneficial interest, either directly or indirectly, or of which they are de facto beneficial owner or corporate controller, except for Wiesfam); and

2.48.5 any legal successors of any of the Excluded Individuals,

and for the purposes hereof, "family members" shall include (without limitation) any of the Excluded Individuals' biological or adopted relatives, relatives in-law and any person with whom such individuals are or at any relevant time were in a long-term and/or dependent relationship and/or any person with whom such individuals co-habit or at any relevant time co-habited;



- 2.49 "Financial Creditors" – the beneficiaries or alleged beneficiaries of the SIHPL CPU;
- 2.50 "Financial Restructuring" – has the meaning ascribed thereto in clause 1.16 of this Proposal;
- 2.51 "FSE" – the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse);
- 2.52 "Gross Cash Settlement FundFunds" – ~~shall have~~ has the meaning ascribed thereto in clause ~~20.2~~17.11 of this Proposal;
- 2.53 "Gross Settlement Funds" – the SIHPL Gross Settlement Fund and the SoP Gross Settlement Fund;
- 2.54 "Gross Share Settlement Funds" – has the meaning ascribed thereto in clause 17.11 of this Proposal;
- 2.55 "Guarantees" – has the meaning ascribed thereto in clause 4.25 of this Proposal;
- 2.56 ~~2.53~~"Hamilton" – collectively –
- 2.56.1 ~~2.53.1~~Hamilton B.V., a company incorporated under the laws of the Netherlands with registered number 70944962;
- 2.56.2 ~~2.53.2~~Hamilton 2 B.V., a company incorporated under the laws of the Netherlands with registered number 71817085; and
- 2.56.3 ~~2.53.3~~Claims Funding Europe Limited, a company incorporated under the laws of the Republic of Ireland with registered number 455396.
- 2.57 ~~2.54~~"High Court" or "Court" – the High Court of South Africa, Western Cape Division, Cape Town, being the division of the High Court of South Africa having jurisdiction over SIHPL and the division of the High Court to which application will be made pursuant to section 155 (7) of the Companies Act;



- 2.58 ~~2.55~~ **"Implicated D&Os"** – Markus Jooste, ~~Ben~~ Benjamin La Grange, Stehan Grobler and Siegmar Schmidt;
- 2.59 ~~2.56~~ **"Inflation Methodology"** – shall have the meaning ascribed thereto in the Steinhoff Allocation Plan;
- 2.60 ~~2.57~~ **"Initial Claim Value"** – shall have the meaning ascribed thereto in clause ~~23.4~~ 20.1 of this Proposal;
- 2.61 ~~2.58~~ **"Innsworth"** – collectively –
- 2.61.1 ~~2.58.1~~ Innsworth Steinhoff Claim B.V., a company incorporated under the laws of the Netherlands with registered number 71790845;
- 2.61.2 ~~2.58.2~~ Innsworth Advisors Limited, a limited liability company incorporated under the laws of ~~the United Kingdom~~ England and Wales and with its registered office at 1 Chancery Lane, London, United Kingdom, WC2A 1LF with company number 08945649; and
- 2.61.3 ~~2.58.3~~ Innsworth Capital Limited, a limited liability company incorporated under the laws of Jersey and with its registered office at 44 Esplanade, St Helier, Jersey, JE4 9WG with company number 125002;
- 2.62 ~~2.59~~ **"Intercompany Loan Claims"** – the intercompany loan claims and related-party loan claims held by the Intercompany Loan Creditors against SIHPL and more fully described in Annexure C;
- 2.63 ~~2.60~~ **"Intercompany Loan Creditor"** – a Steinhoff Group Company which holds an intercompany claim against SIHPL, as more fully described and set out in in Annexure C;
- 2.64 ~~2.61~~ **"Intercompany Receivables"** – collectively, the SAHPL Receivable and the SIH Receivable;



- 2.65 ~~2.62~~ **"ISLG"** – collectively –
- 2.65.1 ~~2.62.1~~ Stichting Steinhoff International Compensation Claims, a foundation (stichting) incorporated under the laws of the Netherlands with registered number 70856966;
- 2.65.2 ~~2.62.2~~ Alexander Reus, P.A. dba DRRT, a company incorporated under the laws of the State of Florida;
- 2.65.3 ~~2.62.3~~ DRRT Limited, a company incorporated under the laws of the Bahamas with registered number 166.029 B;
- 2.65.4 ~~2.62.4~~ TILP Rechtsanwaltsgesellschaft mbH, a company incorporated under the laws of Germany with registered number HRB 735985; and
- 2.65.5 ~~2.62.5~~ LHL Attorneys INC., a company incorporated under the laws of South Africa with registered number 2016/365961/21;
- 2.66 ~~2.63~~ **"Joint Steinhoff Settlement Support"** – has the meaning given to it in clause ~~27.11~~ 23.11 of the Proposal;
- 2.67 **"JSE"** – the Johannesburg Stock Exchange Limited;
- 2.68 ~~2.64~~ **"Limitation Defence"** – any defence or argument based on statute of limitations, prescription, limitation, time bar, laches, delay or any similar principle in connection with any ~~SIHPL Market Purchase Claimant~~ MPC Relevant Claim in any jurisdiction that is ~~submitted~~ filed on or before the Bar Date in accordance with this Proposal;
- ~~2.65~~ ~~**"JSE"** – the Johannesburg Stock Exchange Limited;~~
- 2.69 ~~2.66~~ **"Liquidation Comparators"** – the liquidation comparators prepared by the Analysis Group set out in Annexure D (*Liquidation Comparators*) to this Proposal;
- 2.70 **"Litigation"** – has the meaning ascribed thereto in clause 1.8 of this Proposal;



- [2.71](#) ~~2.67~~ **"Litigation Working Group"** – the litigation working group which was established by SIHNV for the purposes of the detailed review and conduct of disputes threatened and initiated against the Steinhoff Group and legal proceedings which may facilitate recoveries on behalf of the Steinhoff Group;
- [2.72](#) ~~2.68~~ **"Margin Lender Claimants"** – shall have the meaning ascribed thereto in clause ~~1.36.1~~ [1.37.1](#) of this Proposal;
- [2.73](#) ~~2.69~~ **"Margin Lender Settlement Agreement"** – shall have the meaning ascribed thereto in clause ~~1.36.1~~ [1.37.1](#) of this Proposal;
- [2.74](#) ~~2.70~~ **"Market Purchase Claimants"** – collectively, the SIHPL Market Purchase Claimants and the SIHNV Market Purchase Claimants;
- [2.75](#) ~~2.71~~ **"Master Claim Form"** – the claim form to be submitted by a Claimant Representative in accordance with clause ~~22.3.1~~ [19.3.1](#) and in the form as agreed between SIHPL and the respective Claimant Representatives;
- [2.76](#) ~~2.72~~ **"Mayfair"** – Mayfair Speculators Proprietary Limited, registration number 1987/003549/07, a company registered and incorporated in accordance with the laws of South Africa, having its registered address at Section 6, Pastorie Park, 33 Lourens Street, Somerset West, Western Cape;
- [2.77](#) ~~2.73~~ **"Mayfair Claim"** – the claims instituted by Mayfair against Mr Jooste, SIHPL and SIHNV in the High Court of South Africa, Western Cape Division under case number 17727/2020;
- [2.78](#) ~~2.74~~ **"MPC Relevant Claim"** – a claim that constitutes the claimant as a SIHPL Market Purchase Claimant or a SIHNV Market Purchase Claimant;
- [2.79](#) ~~2.75~~ **"Meeting"** – the meeting, or meetings, of Scheme Creditors, as the case may be, to be convened in accordance with section 155(6) of the Companies Act, as may be adjourned from time to time;
- [2.80](#) ~~2.76~~ **"MLC Settlement Consideration"** – shall have the meaning ascribed thereto in clause ~~1.36.2~~ [1.37.2](#) of this Proposal;



- 2.81 ~~2.77~~ "Newco 2A" – Steenbok Newco 2A Limited, registration number 127926, a company incorporated in accordance with the laws of Jersey;
- 2.82 ~~2.78~~ "Newco 2A Loan" – the loan note to be issued by SIHPL to Newco 2A in consideration for SIHPL's acquisition of the amount owing by Titan to Newco 2A from Newco 2A on the following terms (*inter alia*) –
- 2.82.1 ~~2.78.1~~ zero coupon;
- 2.82.2 ~~2.78.2~~ repayment date being the final maturity date of 6 months after the Titan Receivable final maturity date;
- 2.82.3 ~~2.78.3~~ quarterly cash sweep at SIHPL and across the South African Sub-Group of the Steinhoff Group;
- 2.82.4 ~~2.78.4~~ first ranking security over SIHPL's assets, ~~subjects to arrangements in respect of Non-Qualifying Claims being finally determined or agreed by SIHPL; and; and~~
- 2.82.5 ~~2.78.5~~ limited recourse to the available assets of SIHPL and a solvent winding up of SIHPL;
- 2.83 ~~2.79~~ "Non-Qualifying Claimant" – the holder of a Non-Qualifying Claim, and "Non-Qualifying Claimant" shall be a reference to any one of them as the context may require;
- 2.84 ~~2.80~~ "Non-Qualifying Claims" – collectively any and all claims asserted ~~against SIHPL, or to be asserted in the future, against SIHPL by any person or entity whose claim does not fall within the respective definitions of Contractual Claimants, SIHPL Market Purchase Claimants or Financial Creditors~~ (whether known to SIHPL or not) as at the Proposal Date and which are not subject to this Proposal, including, but not limited to, the following –
- 2.84.1 ~~2.80.1~~ any and all claims made by Peter Andrew Berry, Andre Frederick Botha, Francois Johan Malan, Michael John Morris, Paul Ronald Potter and Warren



Wendell Steyn in respect of shares in Business Venture Investments issued to them;

2.84.2 ~~2.80.2~~ any and all claims made by Conservatorium in respect or arising out of margin loans extended to, and/or security granted in support of such loans by, Upington in 2016 and 2017;

2.84.3 ~~2.80.3~~ any and all claims made by the South African Competition Commission in respect of alleged price fixing;

~~and 2.80.4 claim asserted, or to be asserted in the future, by any person or entity whose claim does not fall under the definition of Contractual Claimants, SIHPL Market Purchase Claimants or Financial Creditors;~~

2.84.4 any and all claims made by Mantessa Equities Proprietary Limited under case number 17165/2020 in the High Court of South Africa, Western Cape Division;

2.84.5 any and all claims made by Trevo Capital Limited under case number 4669/2019 in the High Court of South Africa, Western Cape Division;

and "**Non-Qualifying Claim**" shall be a reference to any one of them as the context may require;

2.85 ~~2.81~~ "**Other D&Os**" – all ~~the D&O~~ D&Os who are not Settling D&Os or Implicated D&Os;

2.86 ~~2.82~~ "**Online Claim Form**" – the claim form to be submitted by SIHPL Market Purchase Claimants pursuant to clause ~~22.3.2~~ 19.3.2, and as made available on www.SteinhoffSettlement.com from time to time;

2.87 ~~2.83~~ "**Potential Recourse Claim**" – any claim against a party other than a Steinhoff Group Company in respect of loss or damage suffered in connection with or in consequence of the Events and/or the Allegations;

2.88 ~~2.84~~ "**PPH**" – Pepkor Holdings Limited, registration number 2017/221869/06, a company registered and incorporated in accordance with the laws of South Africa,



having its registered address at 36 Stellenberg Road, Parow Industria, 7293, Cape Town, Western Cape;

2.89 ~~2.85~~ "PPH Shares" – shares in the capital of PPH;

2.90 ~~2.86~~ "Proposal" – this document, being a proposal prepared and envisaged in terms of section 155 of the Companies Act, together with its annexures;

2.91 ~~2.87~~ "Proposal Date" – the date on which this SIHPL Proposal is signed by a duly authorised member of the Board;

~~2.88 "Proposal Effective Date" – shall have the meaning ascribed thereto in clause 1.28;~~

2.92 ~~2.89~~ "Qualifying Ineligible Claimant" – ~~an MPC a Market Purchase~~ Claimant that (i) ~~exclusively held FSE listed SIHNV Shares;~~ (ii) is not a natural person; and (iii) whose internal rules or regulations prohibit and/or impede the ~~MPC–Market Purchase~~ Claimant from owning ~~JSE listed shares~~ PPH Shares and such rules have been in place since prior to 27 July 2020;

2.93 "Receipt Date" – has the meaning ascribed thereto in clause 4.37.4.2 of this Proposal;

2.94 ~~2.90~~ "Recorded Creditors" – shall have the meaning ascribed thereto in clause 4.14 of this Proposal;

2.95 ~~2.91~~ "Released Parties" –

2.95.1 ~~2.91.1~~ all current and former Steinhoff Group Companies;

2.95.2 ~~2.91.2~~ all D&O Beneficiaries;

2.95.3 ~~2.91.3~~ all advisers to the current and/or former Steinhoff Group Companies, including those set out in Schedule 8 (*Overview advisers Steinhoff Group Companies*) to the SIHNV Composition Plan, and their personnel, officers, partners and directors; and



- 2.95.4 ~~2.91.4~~ all Audit Firms and other Deloitte Beneficiaries,
- and "**Released Party**" shall be a reference to any one of them as the context may require;
- 2.96 ~~2.92~~ "**Ricochet Costs**" – any costs or expenses (including legal costs) incurred by any Steinhoff Group Company in the course of resisting or defending any threatened or actual proceedings, arbitration or any other form of legal process in any jurisdiction, in respect of any actual or alleged Ricochet Liability;
- 2.97 ~~2.93~~ "**Ricochet Liabilities**" – any liability of any Steinhoff Group Company arising directly or indirectly as a consequence of a Potential Recourse Claim having been asserted by a Scheme Creditor, whether for contribution, indemnity, reimbursement, or of any other nature on whatever legal basis and pursuant to whatever law, code, rule or regulation of any jurisdiction;
- 2.98 "**S155 Settlement Note**" – has the meaning ascribed thereto in clause 4.31.2 of this Proposal;
- 2.99 "**S.45 Judgment**" – has the meaning ascribed thereto in clause 1.42.3 of this Proposal;
- 2.100 ~~2.94~~ "**SAHPL**" – Steinhoff Africa Holdings Proprietary Limited, registration number 1969/015042/07, a private company with limited liability registered in accordance with the company laws of South Africa, having its registered address at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600, Western Cape, South Africa;
- 2.101 ~~2.95~~ "**SAHPL Receivable**" – an unsecured, repayable on demand intercompany claim of SIHPL against SAHPL in the amount of ~~R6.6 billion~~ R633 million;
- 2.102 ~~2.96~~ "**Sanction**" – shall have the meaning ascribed thereto in clause 2.4 of this Proposal;
- 2.103 ~~2.97~~ "**SARS**" – the South African Revenue Service;



- 2.104 "SAW" – has the meaning ascribed thereto in clause 4.37.4.5 of this Proposal;
- 2.105 ~~2.98~~ **"Scheme Creditors"** – for purposes of section 155 of the Companies Act and as used in this Proposal, collectively, the Financial Creditors, the Contractual Claimants and the SIHPL Market Purchase Claimants (and **"Scheme Creditor"** shall be a reference to any one of them as the context may require);
- 2.106 ~~2.99~~ **"Scheme Explanatory Statement"** – the explanatory statement in relation to the UK scheme of arrangement proposed by SIHNV;
- 2.107 ~~2.100~~ **"Scheme of Arrangement"** – the scheme of arrangement made effective on 07 December 2015, pursuant to which SIHNV acquired the entire share capital of SIHPL through the issue of one ordinary share in its capital in exchange for each ordinary share in the capital of SIHPL;
- ~~2.101 **"SSSA"** – the Steinhoff Settlement Support Agreement entered into between SIHPL, SIHNV, the Settling D&Os, the D&O Insurers and the Deloitte Firms dated 23 March 2021;~~
- 2.108 "Security Assets" – the security assets set out in Annexure J;
- 2.109 ~~2.102~~ **"Settlement"** – the discharge of SIHPL's obligations towards the Scheme Creditors under this Proposal by SIHPL, SIHNV or the SRF, as the case may be, and **"Settle"** and **"Settled"** shall have corresponding meanings;
- 2.110 ~~2.103~~ **"Settlement Effective Date"** – the date on which all Suspensive Conditions and Conditions Precedent (as defined in the SIHNV Composition Plan) are fulfilled;
- 2.111 "Settlement Funds" – the SIHPL MPC Settlement Fund and the SoP Settlement Fund;
- 2.112 ~~2.104~~ **"Settling D&Os"** – Mr Stefanés Francois Booyesen, Mr David Charles Brink, Mr Claas Edmund Daun, Mr Hendrik Johan Karel Ferreira, Mr Thierry Louis Joseph Guibert, Mr Deenadayalen Konar, Ms Angela Krüger-Steinhoff, Ms Antoinette Lategan in her capacity as the Executrix of the Estate of Late Marthinus Theunis



Lategan, Mr Johannes Fredericus Mouton, Mr Frederik Johannes Nel, Mr Hein Odendaal, Mr Dirk Schreiber, Mr Franklin Abraham Sonn, Ms Heather Joan Sonn, Mr Bruno Ewald Steinhoff, Mr Paul Denis Julia van den Bosch, Mr Daniël Maree van der Merwe, Mr Johan van Zyl, Mr Christoffel Hendrik Wiese and Mr Jacob Daniel Wiese;

- [2.113](#) ~~2.105~~ **"Settlement Term Sheet"** – the settlement term sheet available at www.SteinhoffSettlement.com (*Settlement Term Sheet*);
- [2.114](#) ~~2.106~~ **"SFH"** – Steinhoff Finance Holding GmbH, registration number FN 345159 m, a company registered and incorporated in accordance with the laws of Austria;
- [2.115](#) ~~2.107~~ **"SIH"** – Steinhoff Investment Holdings Limited, registration number 1954/001893/06, a public company with limited liability registered in accordance with the company laws of South Africa, having its registered address at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600, Western Cape, South Africa;
- [2.116](#) ~~2.108~~ **"SIH Receivable"** – an unsecured, repayable on demand intercompany claim of SIHPL against SIH in the amount of R17.7 billion;
- [2.117](#) ~~2.109~~ **"SIHNV"** – Steinhoff International Holdings N.V., registration number 63570173, a company registered and incorporated in accordance with the laws of the Netherlands and as an external company under the Companies Act;
- [2.118](#) ~~2.110~~ **"SIHNV Composition Plan"** – the composition plan (*ontwerpakkoord*) containing the compromise arrangement and scheme plan ~~to be as~~ proposed by SIHNV to its creditors in accordance with the Dutch Bankruptcy Act, as made available at www.SteinhoffSettlement.com;
- [2.119](#) ~~2.111~~ **"SIHNV Contingent Payment Undertakings"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- [2.120](#) ~~2.112~~ **"SIHNV Contractual Claim"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;



- 2.121 ~~2.113~~ **"SIHNV Contractual Claimants"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- 2.122 ~~2.114~~ **"SIHNV Creditors"** – the SoP Creditors as defined in the SIHNV Composition Plan;
- 2.123 ~~2.115~~ **"SIHNV Loan"** – the loan note to be issued by SIHPL to SIHNV in consideration for the settlement by SIHNV of the SIHPL Market Purchase Claimants' claims, which loan note will ~~not exceed €100,000,000.00~~ be €164,000,000.00 (one hundred and sixty four million Euros) and will include the following terms –
- 2.123.1 ~~2.115.1~~ zero coupon;
- 2.123.2 ~~2.115.2~~ repayment date being the final maturity date of 6 months after the Titan Receivable final maturity date;
- 2.123.3 ~~2.115.3~~ quarterly cash sweep at SIHPL and across the South African Sub-Group of the Steinhoff Group;
- 2.123.4 ~~2.115.4~~ the benefit of second ranking security over SIHPL's assets, ~~subject to arrangements in respect of Non-Qualifying Claims being finally determined or agreed by SIHPL~~; and
- 2.123.5 ~~2.115.5~~ limited recourse to the available assets of SIHPL;
- 2.124 ~~2.116~~ **"SIHNV Market Purchase Claimant"** – has the meaning given to "SIHNV MPC Claimant" in the SIHNV Composition Plan;
- 2.125 ~~2.117~~ **"SIHNV Shares"** – ordinary shares in the issued share capital of SIHNV listed on the JSE and FSE;
- 2.126 ~~2.118~~ **"SIHPL"** – Steinhoff International Holdings Proprietary Limited, registration number 1998/003951/07, a private company with limited liability registered in accordance with the company laws of South Africa, having its registered address



at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600, Western Cape, South Africa;

2.127 ~~2.119~~ **"SIHPL CPU"** – the contingent payment undertaking agreement dated on or about 12 August 2019 and as amended by an "Amendment Deed" dated 21 August 2019, between SIHPL and Global Loan Agency Services Limited in respect of the facility agreement between, amongst others, Steenbok Lux Finco 1 Sarl and Global Loan Agency Services Limited in respect of the €465,000,000-.00 4% guaranteed convertible bonds dated 23 November 2015, as amended from time to time, originally made between SFH (as borrower) and SIHNV and SIHPL as guarantors, due 2021 and the €1,116,300,000-.00 1.25% guaranteed convertible bonds dated 23 November 2015, as amended from time to time, originally made between SFH (as borrower) and SIHNV and SIHPL as guarantors, due 2022, and which is subject to the S.45 Judgment and appeals in respect thereof;

2.128 ~~2.120~~ **"SIHPL Filing Instruction"** –

2.128.1 ~~2.120.1~~ in respect of Contractual Claimants, a filing instruction substantially in the form as set out in Annexure H; or

2.128.2 a filing instruction as distributed to the Financial Creditors by Global Loan Agency Services Limited; or

2.128.3 ~~2.120.2~~ in respect of SIHPL Market Purchase Claimants, a filing instruction as included in an Online Claim Form; or

2.128.4 ~~2.120.3~~ in respect of bulk filers filing on behalf of more than one SIHPL Market Purchase Claimant, a filing instruction as included in a Master Claim Form;

2.129 **"SIHPL Financial Creditor Liabilities"** – shall have the meaning ascribed thereto in clause 4.31 of this Proposal;

2.130 ~~2.121~~ **"SIHPL Market Purchase Claimants"** – persons who –

2.130.1 ~~2.121.1~~ have a SIHPL MPC Relevant Claim;



2.130.2 ~~2.121.2~~ have validly acquired or been assigned a SIHPL MPC Relevant Claim;
or

2.130.3 ~~2.121.3~~ is otherwise accepted as such by SIHPL or the SRF,

but excluding –

2.130.4 ~~2.121.4~~ the Contractual Claimants with respect to their Contractual Claims;

2.130.5 ~~2.121.5~~ any Steinhoff Group Company; and

2.130.6 ~~2.121.6~~ any Excluded Individuals, any legal successors of the Excluded Individuals and any legal entities related to or controlled by any Excluded Individual;

2.131 **"SIHPL MPC Gross Settlement Fund"** – shall have the meaning ascribed thereto in clause 4.41.2 of this Proposal;

2.132 ~~2.122~~ **"SIHPL MPC Relevant Claim"** – a claim (excluding, for the avoidance of doubt, any claim specifically designated as a Non-Qualifying Claim hereunder) -

2.132.1 ~~2.122.1~~ against SIHPL in relation to the Events and/or the Allegations, arising as a result of a person Purchasing (as defined below):

2.132.1.1 ~~2.122.1.1~~ SIHPL Shares listed on the JSE between open of business on 02 March 2009 and ~~prior to~~ close of business on 06 December 2015 (which were subsequently converted to SIHNV Shares pursuant to the Scheme of Arrangement), even if such shares had not yet been delivered to the purchaser's securities account by close of business on 06 December 2015, and holding such SIHNV Shares at close of business on 05 December 2017; and/or

2.132.1.2 ~~2.122.1.2~~ SIHPL Shares listed on the JSE prior to open of business on 02 March 2009 (which were subsequently converted to SIHNV Shares pursuant to the Scheme of Arrangement) and holding such SIHNV Shares at close of business on 05 December 2017 on the basis of the



LIFO matching process described in paragraph 20 of the Steinhoff Allocation Plan; and

2.132.2 ~~2.122.2~~ with a positive "MPC Claim Value" calculated in accordance with the "Inflation Methodology" (each as defined in the Steinhoff Allocation Plan),

and for the purposes hereof:

2.132.3 ~~2.122.3~~a "**Purchase**" will have the meaning ascribed thereto in the Steinhoff Allocation Plan and "**Purchasing**" will have a corresponding meaning; and

2.132.4 ~~2.122.4~~a SIHPL MPC Relevant Claim remains notwithstanding the exchange of the relevant SIHPL Shares into SIHNV Shares pursuant to the Scheme of Arrangement and will not convert into a claim of a SIHNV Market Purchase Claimant;

2.133 "SIHPL MPC Settlement Fund" – shall have the meaning ascribed thereto in clause 4.41.2 of this Proposal;

2.134 ~~2.123~~ "**SIHPL Shares**" – ordinary shares in the issued share capital of SIHPL listed on the JSE;

2.135 ~~2.124~~ "**SoP**" – the suspension of payments (*surseance van betaling*), including a provisional suspension of payments (*voorlopige surseance van betaling*), under the Dutch Bankruptcy Act (*Faillissementswet*) ~~to be requested~~ commenced by SIHNV on 15 February 2021;

2.136 ~~2.125~~ "**SoP Gross Settlement Fund**" – shall have the meaning ascribed thereto in clause ~~20.2~~ 17.3 of this Proposal;

2.137 ~~2.126~~ "**South African Sub-Group**" – SIH and each of its direct and indirect subsidiaries;

2.138 ~~2.127~~ "**SRF**" – the Dutch foundation (*stichting*) established by SIHNV called the Stichting Steinhoff Recovery Foundation, as more fully set out in clause ~~21.4~~ 18.1 of this Proposal;



- 2.139 ~~2.128~~ **"SRF and Claims Administration Conditions"** – the provisions governing the supervision, monitoring, administration ~~and~~ distribution and repayment of, *inter alia*, the ~~SoP Settlement Fund~~ Funds distributable to the SIHPL Market Purchase Claimants as set out in this Proposal, and the resolution of disputes on the determination of eligibility and Claim Values, annexed to the SIHNV Composition Plan as Schedule 2 (*SRF and Claims Administration Conditions*);
- 2.140 ~~2.129~~ **"SRF Articles of Association"** – the articles of association of the SRF (as amended from time to time) ~~;~~ substantially in the form as set out in the draft version of the deed of incorporation annexed to the SRF and Claims Administration Conditions as Schedule 2 (*Articles of Association of SRF*);
- 2.141 ~~2.130~~ **"SRF Costs"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- 2.142 ~~2.131~~ **"SRF Costs Allocation"** – shall have the meaning ascribed thereto in the SIHNV Composition Plan;
- 2.143 ~~2.132~~ **"SRF Settlement Document"** – has the meaning ascribed thereto in the SRF and Claims Administration Conditions;
- ~~2.133~~ ~~"Steinhoff D&O Beneficiaries"~~ – the D&O Insurers, the Settling D&Os and the Other D&Os;
- 2.144 ~~"SSSA"~~ – the Steinhoff Settlement Support Agreement entered into between SIHPL, SIHNV, the Settling D&Os, the D&O Insurers and the Deloitte Firms dated 23 March 2021;
- 2.145 ~~"Steinhoff Allocation Plan"~~ – the plan annexed to the SIHNV Composition Plan as Schedule 3 (Steinhoff Allocation Plan) available at www.SteinhoffSettlement.com, which will determine the Claim Value of the MPC Relevant Claims and each share of:
- 2.145.1 ~~"Steinhoff Allocation Plan2.134"~~ – the plan ~~pursuant to which the Claim Value and each share of~~ the SoP Settlement Fund in respect of the MPC



Relevant Claims timely and validly ~~submitted~~ filed by the ~~SIHPL~~ Market Purchase Claimants ~~will be determined~~; and

2.145.2 the SIHPL MPC Settlement Fund in respect of the SIHPL MPC Relevant Claims timely and validly filed by the SIHPL Market Purchase Claimants;

2.146 ~~annexed to the SIHNV Composition Plan as Schedule 3 available at www.SteinhoffSettlement.com;~~ "Steinhoff D&O Beneficiaries" – the D&O Insurers, the Settling D&Os and the Other D&Os;

2.147 ~~2.135~~ **"Steinhoff Finance Documents"** – has the meaning ascribed thereto in the Scheme Explanatory Statement available at www.SteinhoffSettlement.com;

2.148 ~~2.136~~ **"Steinhoff Group"** – together, SIHNV and all other Steinhoff Group Companies;

2.149 ~~2.137~~ **"Steinhoff Group Companies"** – SIHNV and each of its Subsidiaries from time to time, which includes, for the avoidance of doubt, SIHPL and **"Steinhoff Group Company"** means any one of them;

2.150 ~~2.138~~ **"Steinhoff Group Settlement"** – the settlement of (substantially) all of the claims against SIHNV and SIHPL so as to provide finality for SIHNV and SIHPL (and each other current and former Steinhoff Group Company) in relation to those claims on the terms set out in the Settlement Term Sheet;

2.151 ~~2.139~~ **"Subsidiaries"** – in relation to any company, corporation or other legal entity (a **"holding company"**), companies, corporations or legal entities:

2.151.1 ~~2.139.1~~ which are controlled, directly or indirectly, by the holding company;

2.151.2 ~~2.139.2~~ in which a majority of rights are held by the holding company, either alone or pursuant to an agreement with others;

2.151.3 ~~2.139.3~~ more than half the issued share capital of which is beneficially owned, directly or indirectly, by the holding company; or



2.151.4 ~~2.139.4~~ which are subsidiaries of another Subsidiary of the holding company,

and "**Subsidiary**" means any one of them. For this purpose, a company, corporation or other legal entity shall be treated as being controlled by another if that other company, corporation or other legal entity is able to determine the composition of the majority of its board of directors or equivalent body;

2.152 ~~2.140~~ "**Suspensive Conditions**" – the suspensive conditions set out in clause ~~33~~ 28 of this Proposal;

2.153 ~~2.141~~ "**Thibault**" – Thibault Square Financial Services Proprietary Limited, registration number 1992/004170/07, a private company with limited liability registered in accordance with the company laws of South Africa;

2.154 ~~2.142~~ "**Thibault Claims**" – collectively –

2.154.1 ~~2.142.1~~ Thibault's claim for damages against SIHPL (under case number 7287/2018 in the High Court of South Africa, Western Cape Division) in an amount of R34,721,300,550.00 on the basis set out in paragraphs 7 to 16.2 of Thibault and Titan's amended particulars filed under the aforementioned case number; and

2.154.2 ~~2.142.2~~ a claim against SIHPL in respect of the 2,019,800 SIHPL shares it purchased at an original transaction value of R80.07 per share;

2.155 ~~2.143~~ "**Titan**" – Titan Premier Investment Proprietary Limited, registration number 1997/000776/07, a private company with limited liability registered in accordance with the company laws of South Africa;

2.156 ~~2.144~~ "**Titan Claims**" – irrespective of whether such claim constitutes a Contractual Claim or an MPC Relevant Claim under this SIHPL Proposal, the claims sought to be compromised in terms of this Proposal of each of –

2.156.1 ~~2.144.1~~ Thibault;

2.156.2 ~~2.144.2~~ Titan;



2.156.3 ~~2.144.3~~TSD; and

2.156.4 ~~2.144.4~~Wiesfam,

and the holder of a Titan Claim being a "**Titan Claimant**";

2.157 ~~2.145~~"Titan MPC Claims" – collectively –

2.157.1 ~~2.145.1~~a claim in respect of the 100,000 SIHNV shares TSD purchased at an original transaction value of R75.64 per share;

2.157.2 ~~2.145.2~~a claim in respect of the 50,000 SIHNV shares TSD purchased at an original transaction value of R75.39 per share; and

2.157.3 ~~2.145.3~~a claim in respect of the 2,000,000 SIHNV shares TSD purchased at an original transaction value of R62.34 per share;

2.158 ~~2.146~~"Titan Receivable" – shall have the meaning ascribed thereto in clause ~~4.24 of this Proposal~~;4.25 of this Proposal;

2.159 "Trevo" – shall have the meaning ascribed thereto in clause 1.42 of this Proposal;

2.160 ~~2.147~~"TSD" – Titan Share Dealers (Pty) Ltd registration number 1969/003884/07, a private company with limited liability registered in accordance with the company laws of South Africa;

2.161 ~~2.148~~"Upington" – Upington Investment Holdings B.V., ~~registration number 64663426~~, a company ~~registered and that was~~ incorporated ~~in accordance with~~ under the laws of the Netherlands with registered number 64663426 and which ceased to exist with effect from 28 September 2018;

2.162 ~~2.149~~"Validation Committee" – ~~Analysis Group~~, SIHPL with the assistance of ~~SIHPL and~~ its professional advisers;



~~2.150~~ — ~~"Valuation Principles"~~ — ~~the valuation principles as set out in Schedule 7 to the SIHNV Composition Plan;~~

2.163 ~~2.151~~ **"Voting Deadline Date"** – in respect of (alleged) Scheme Creditors who wish to participate in and vote at the Meeting, the last date for submitting claims to the Claims Administrator for verification, which date shall be published on www.SteinhoffSettlement.com in due course;

2.164 ~~2.152~~ **"Wiesfam"** – Wiesfam Trust Proprietary Limited, registration number 1970/002937/07, a private company with limited liability registered in accordance with the company laws of South Africa; and

2.165 ~~2.153~~ **"Wiesfam Claims"** – collectively -

2.165.1 ~~2.153.1~~ Wiesfam's Contractual Claim against SIHPL in respect of the 29,718,557 SIHPL shares issued to Wiesfam at an original transaction value of R22.74 per share;

2.165.2 ~~2.153.2~~ Wiesfam's MPC Relevant Claim against SIHPL in respect of the 3,990,300 SIHPL shares it purchased at an original transaction value of R50.18 per share;

Schedule 2
Revised Annexure B

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
ANNEXURE B: SIHPL GROSS ASSET RECONCILIATION
AS AT 30 SEPTEMBER 2020, 30 JUNE 2021 AND 30 SEPTEMBER 2021

	30 September 2021	30 June 2021	30 September 2020
	Projected	Actual	Actual
	Unaudited	Unaudited	Audited
Notes	R'000	R'000	R'000
Total gross assets - as per Statement of Financial Position	16 434 906	27 315 047	24 455 085
Consisting of:			
Related party loans receivable: Steinhoff Investments Holdings Limited	17 747 684	17 747 684	17 747 684
Opening balance	17 747 684	17 747 684	-
Interest earned	a. -	-	-
Related party loans receivable: Steinhoff Africa Holdings Proprietary Limited	-	633 328	6 620 473
Opening balance	6 620 473	6 620 473	-
Loan repaid	(6 620 473)	(5 987 145)	-
Cash and cash equivalents	6 773 101	6 167 082	84 635
Opening balance	84 635	84 635	-
Steinhoff Africa Holdings Proprietary Limited loan proceeds	6 620 473	5 987 145	-
Net Operating expenses	(205 531)	(107 054)	-
Interest earned	273 524	202 356	-
Steenbok Newco 2A Limited (net of impairment)	b. 2 765 715	2 765 715	-
Titan Premier Investment Proprietary Limited receivable	3 400 000	-	-
Tax receivable	-	1 238	1 638
Listed Investments-Steinhoff N.V.	-	-	655
Total gross assets - BEFORE distribution	30 686 500	27 315 047	24 455 085
Utilised for legal settlement	(14 251 594)	-	-
Total gross assets - AFTER distribution	16 434 906	27 315 047	24 455 085

- a. Changes to terms of this intercompany loan, including charging interest thereon, is subject to lender consent.
- b. SIHPL has an euro denominated loan receivable from Steenbok Newco 2A Limited to the amount of €205 million (capital only) and accrues interest at 10% per annum. With the implementation of the CVA during August 2019, the loan receivable from Newco 2A was deemed to be 100% credit impaired at initial recognition. As a result, the loan was recognised at its fair value of nil. Subsequent to the F20 Reporting Period, a portion of the loan receivable is deemed recoverable and a 15% impairment reversal has been processed during June 2021.

Schedule 3
Revised Annexure C

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)
Audited Annual Financial Statements
for the year ended 30 September 2020

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment holding
Directors	LJ du Preez TLR de Klerk DI Pauker
Registered office	Building B2 Vineyard Office Park Cnr Adam Tas & Devon Valley Road Stellenbosch 7600
Business address	Building B2 Vineyard Office Park Cnr Adam Tas & Devon Valley Road Stellenbosch 7600
Postal address	PO Box 122 Stellenbosch 7600
Holding company	Steinhoff Investment Holdings Limited incorporated in South Africa
Ultimate holding company	Steinhoff International Holdings N.V. incorporated in the Netherlands
Auditors	Mazars Registered Auditor
Secretary	Steinhoff Secretarial Services Proprietary Limited
Company registration number	1998/003951/07
Tax reference number	9599003713
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled under the supervision of: TLR de Klerk BCom (Hons), CTA, Hdip (Tax), CFM

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Contents

	Page
Directors' Responsibilities and Approval	3 - 4
Company Secretary's Certification	5
Independent Auditor's Report	6 - 8
Directors' Report	9 - 14
Statement of Financial Position	15
Statement of Profit or Loss and Other Comprehensive Income	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Accounting Policies	19 - 23
Notes to the Financial Statements	24 - 61

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, the Companies Act 71 of 2008 and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards, the Companies Act 71 of 2008 and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have made an assessment of the ability of the company to continue as a going concern and have concluded that a material uncertainty exists with regards to the going concern assumption.

Litigation

Various entities within the group of which Steinhoff International Holdings N.V. ("Steinhoff N.V.") is the ultimate holding company (collectively "the Steinhoff N.V. Group"), are subject to multiple legal claims and regulatory investigations. Steinhoff N.V. and Steinhoff International Holdings Proprietary Limited ("SIHPL") have received several shareholder and vendor claims and notices of regulatory investigation. These legal proceedings and regulatory investigations have been initiated subsequent to the December 2017 events. The board of directors, assisted by the litigation working group of Steinhoff N.V. ("Litigation Working Group"), and in consultation with the Steinhoff N.V. Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the relevant regulatory bodies. Several initial defences have already been filed by the Steinhoff N.V. Group, in these legal proceedings.

On 27 July 2020, Steinhoff N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017 ("Litigation Settlement Proposal").

The Company's cash flow forecasts are adjusted for the impact of the Litigation Settlement Proposal as announced on 27 July 2020 by Steinhoff N.V. and detailed in note 22 of these Annual Financial Statements.

Steinhoff N.V. announced on 15 February 2021 that it was beginning the implementation of its global Litigation Settlement Proposal and had resolved to commence a Dutch Suspension of Payments procedure (*surseance van betaling*) ("Dutch SoP") in the Netherlands, which the Court approved, to implement its proposal to settle certain multijurisdictional legacy litigation and various claims against the Steinhoff Group including those against the former Steinhoff Group South African holding company, SIHPL. In parallel, the board of SIHPL has resolved to commence a statutory compromise process under South African law ("S155 Scheme") also as part of the implementation of the Steinhoff Group's global Litigation Settlement Proposal. Both the S155 scheme and the Dutch SoP are ongoing and shall be implemented in accordance with our public announcements and timelines available on the Steinhoff Settlement website.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Responsibilities and Approval

Conclusion

In determining the appropriate basis of preparation of the annual financial statements of the Company, the board of directors is required to consider whether the Company can continue in operational existence for the foreseeable future. The board of directors draw attention to the following facts:

- at 30 September 2020, the Company's current assets are equal to its current liabilities, which includes the provision for the Litigation Settlement Proposal;
- at 30 September 2020, the Company's non-current liabilities exceeds its non-current assets pre-dominantly due to the inclusion of the SIHPL Contingent Payment Undertaking ("CPU") and the provision for the Litigation Settlement Proposal. The amount the Company will be able to pay under the SIHPL CPU is limited to the net asset value before inclusion of the CPU financial liability. Refer to note 8;
- that it is more likely than not that the global Litigation Settlement Proposal will be successful and for this reason the Litigation Settlement Proposal provision of R10.5 billion has been raised in the results of the Company, representing management's best estimate of the outflow of resources required to settle the legal claims of all market purchase claimants and contractual claims included the Litigation Settlement Proposal. For further detail of these claims, refer to note 22 Commitments and contingencies;
- as part of the Litigation Settlement Proposal, the SIHPL CPU creditors were asked to extend the payment date under the SIHPL CPU. In exchange for this extension, SIHPL will grant third-ranking security over all of its assets (which are primarily inter-company receivables in South Africa).
- management does not intend to liquidate the entity and plans to recover its assets and settle its debt in the normal course of business. As previously announced, for the implementation of the Litigation Settlement Proposal the Company intends to enter into a proposed pre-prepared compromise plan pursuant to section 155 of the Companies Act in South Africa;
- the amount that the Company will have available to repay, is dependent on Steinhoff Investment Holdings Limited ("SINVH") and Steinhoff Africa Holdings Proprietary Limited ("Steinhoff Africa") repaying intercompany loans to the Company. In terms of a sum-of-the parts calculation performed on the SINVH Group, the Steinhoff Africa and SINVH loans are recoverable;
- as at the effective date of signature of these financial statements, there are significant uncertainties which extend beyond the foreseeable future; and
- given due cognisance of the Company's current financial position and the implementation steps of the Litigation Settlement Proposal as mentioned above, we are of the opinion that the Company will be able to meet its current liabilities as they become due and therefore is a going concern for the 12 month period following the date of issue of this Annual Financial Statements.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 6 to 8.

The financial statements set out on pages 9 to 61, which have been prepared on the going concern basis, were approved by the board of directors on _____ and were signed on their behalf by:

TLR de Klerk

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Company Secretary's Certification

We certify, in accordance with section 88(2)(e) of the Companies Act, that other than the filing of an annual return and the completion of a Compliance Checklist for the reporting period, the Company has lodged with the Companies and Intellectual Properties Commission all such returns as are required for a private company in terms of the Act and that all such returns are true, correct and up to date.

NJ Lewis
Steinhoff Secretarial Services Proprietary Limited

Date: _____

Independent Auditor's Report

To the shareholder of Steinhoff International Holdings Proprietary Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annual financial statements of Steinhoff International Holdings Proprietary Limited set out on pages 15 to 61 which comprise the statement of financial position as at 30 September 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the financial statements of the company because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence on going concern to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As indicated in the financial statements, the company incurred a total comprehensive loss of R 15,585,254,354 for the year ended 30 September 2020 (2019: R 133,482,602) and, at that date, its total liabilities exceed, its total assets by R 17,306,005,359 (2019: R 1,720,751,006).

We have not been able to obtain sufficient appropriate audit evidence to support the going concern assumption, in relation to the following material uncertainties which are both material and pervasive to the financial statements as a whole. Consequently, we were unable to confirm or dispel whether it is appropriate to prepare the financial statements using the going concern basis of accounting.

These material uncertainties and their potential interaction are described below.

Material uncertainty with respect to timing of repayment of borrowings

As described in Note 8 (Borrowings) the obligations of the Company under the 2021 and 2022 convertible bonds were restructured into the 21/22 Term Loan Facility in terms of an instrument referred to as the SIHPL CPU (Note 8 Borrowings). The Company undertook to settle the amounts due under the 21/22 Term Loan Facility issued by Steenbok Lux Finco 1 SARL by 31 December 2021 and to use reasonable endeavours to pay an amount of up to 25% of the aggregate outstanding amount of the Facility A1 loans to the bondholders within 5 business days after implementation of the CVA.

Following the receipt of letters of objections from creditors seeking to restrict the Company from making any payments in terms of the SIHPL CPU, there is material uncertainty relating to the timing of repayment of borrowings.

Material uncertainty relating to the timing of the repayment of intercompany loans

The amount that the Company will have available to repay borrowings and creditors is dependent on Steinhoff Investment Holdings Limited and Steinhoff Africa Holdings Proprietary Limited repaying intercompany loans due to the Company. We were unable to obtain sufficient appropriate audit evidence to substantiate whether the current and non-current classification of the intercompany loans is correct.

Material uncertainty with respect to Litigation and Regulation

On 27 July 2020, the Company along with Steinhoff International Holdings N.V. (Steinhoff N.V.) announced the terms of a proposed settlement to conclude certain of the complex legal claims and ongoing pending litigation proceedings arising from the historic events first announced in December 2017.

The provision of R 10,487,980,000 raised during the current financial year in respect of the market purchase claims (MPC) and contractual claims set out in Note 22 (Commitments and contingencies) is based on management's assessment that it is more likely than not that the settlement will be accepted and the possible financial outcome of the litigation settlement proposal.

Although management has made a public offer to settle these claims and provided for the quantum of litigation settlement proposal in the current year, a material uncertainty remains regarding the outcome of the court processes in South Africa (so called "s155") and the Netherlands (so called "Suspension of Payments"). In the case of unfavourable decisions by the courts to implement the relevant schemes or the potential ruling by courts outside of the settlement proposal, the additional outflows of cash could be considerable and may impact the going concern assumption.

Other Matter – Reports Required by the Companies Act

The annual financial statements include the Directors' Report as required by the Companies Act of South Africa. The directors are responsible for this other information.

We have read the other information and, in doing so, considered whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. However, due to the disclaimer of opinion in terms of the International Standard on Auditing (ISA) 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*, we are unable to report further on this other information.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*).

A handwritten signature in dark ink, appearing to read "Mazars". The signature is written in a cursive, flowing style with a period at the end.

Mazars
Partner: Duncan Dollman
Registered Auditor
Date: 26 March 2021
Cape Town

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

The directors submit their report on the financial statements of Steinhoff International Holdings Proprietary Limited for the year ended 30 September 2020.

1. Holding company

The company's holding company is SINVH which holds 100% (2019: 100%) of the Company's equity. SINVH is incorporated in South Africa.

2. Ultimate holding company

The company's ultimate holding company is Steinhoff International Holdings N.V. ("Steinhoff N.V." or together with its subsidiaries the "Group") which is incorporated in the Netherlands. Steinhoff N.V. is primarily a global holding company with investments in a diverse range of retail businesses. The Group operates in Africa, Australasia, Europe, the United Kingdom and the United States of America.

3. Nature of business

Steinhoff International Holdings Proprietary Limited (the "Company" or "SIHPL") was incorporated in South Africa and holds investments in, and loans with companies in the Group, both in South Africa and Europe.

There have been no material changes to the nature of the Company's business from the prior year.

4. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

5. Stated share capital

The Company's authorised stated share capital comprises 6 000 000 000 ordinary shares of no par value and 1 000 000 000 non-redeemable, cumulative, non-participating preference shares of no par value.

There have been no changes to the authorised or issued share capital during the year under review.

6. Contracts

No contracts, other than those disclosed in note 19 (Interest of directors and officers in contracts), in which directors and officers of the Company had an interest and that significantly affected the affairs or business of the Company, or which could have resulted in a conflict of interest, were entered into during the year.

7. Dividends

No dividends or distributions were approved or paid during the year under review (2019: Rnil).

8. Directors

The directors in office at the date of this report are as follows:

Directors	Designation
LJ du Preez	Executive
TLR de Klerk	Executive
DI Pauker	Non-executive

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

9. External audit

The 2020 financial statements have been audited by the external auditor, Mazars.

Under International Auditing Standards the auditor shall disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base their opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive or the auditor shall disclaim an opinion when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

A significant uncertainty resulted in a 'disclaimer of opinion' from the external auditor. In its auditor's report Mazars has described the reasons why it has come to that conclusion and it is clear that the Company finds itself in the extremely rare circumstance described above, namely that because of the uncertainty, Mazars cannot form an opinion on the financial statements due to the potential interaction of the uncertainty and its cumulative effect on the 2020 financial statements. In the auditor's report Mazars details the reasons why it has come to these conclusions. The main uncertainty listed and explained in the Basis for Opinions in the audit opinion are as follows:

Material uncertainty with respect to Litigation, claims and contingent payment undertaking payments

Following the public announcement on 5 December 2017 and the subsequent sharp decline in the share price of the Group and Company's ultimate parent company, Steinhoff International Holdings N.V., and the Company has received several claims from investors and vendors, which have been described in note 22 (Commitments and contingencies) and note 24 (Going Concern) to financial statements. Until the Litigation Settlement Proposal is accepted by all parties and becomes effective, uncertainty regarding the success thereof and the impact on going concern will remain and therefore cast significant doubt upon the Company's ability to continue as a going concern beyond the foreseeable future. Even though the board embarked on the S155 Scheme, the board still plan to recover the assets and settle the debt in the normal course of business. The S155 Scheme procedure will not directly affect any of the African operating businesses in the SINVAH Group.

As described in note 8 (Borrowings) the obligations of the Company under the 2021 and 2022 convertible bonds were restructured into the 21/22 Term Loan Facility in terms of an instrument referred to as the Contingent Payment Undertaking (the SIHPL CPU). The Company undertook to use reasonable endeavours to pay an amount of up to 25% of the aggregate outstanding amount of the Facility A1 loans to the bondholders within 5 business days after implementation of the CVA. The amount that the Company will have available to repay is dependent on Steinhoff Investment Holdings Limited and Steinhoff Africa Holdings Proprietary Limited repaying intercompany loans due to the Company.

Per the accounting policies, (Note 1.2 Significant judgements and sources of estimation uncertainty, Classification of current and non-current portion of Loans receivable) the company classified a portion of the related party loans receivables to current in order equal the current liabilities. The related party loans receivables will likely be called upon to settle the Litigation Settlement Proposal provision and other current liabilities.

10. Significant events during the year

COVID-19

Since the Company does not have any underlying investments or operations, the effect of the COVID-19 pandemic is limited to the recoverability of the company's loans to related parties. In terms of a sum-of-the parts calculation performed on the SINVAH Group the Steinhoff Africa and SINVAH loans are recoverable.

While the Company is confident that the actions it is taking to address the impact of COVID-19 are appropriate and timely, the situation remains fast moving and these are being kept under constant review.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

10. Significant events during the year (continued)

Litigation

The Company has received several shareholder and vendor claims and notices of regulatory investigations. These legal proceedings and regulatory investigations have been initiated against the Company during the period since December 2017. The Board of the Company, in consultation with Steinhoff N.V.'s Supervisory Board and the Management Board, assisted by the litigation committee ("Steinhoff N.V. Litigation Working Group") which includes representation of the board of the Company, and in consultation with the Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the regulatory bodies. Several initial defenses have already been filed by the Company in these legal proceedings.

On 27 July 2020, Steinhoff N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017. A provision of R10.5 billion was raised as at 30 September 2020 for the Litigation Settlement Proposal (refer to note 22). An update to the Litigation Settlement Proposal was issued on 9 October 2020, 6 November 2020 and 14 January 2021 respectively. On 15 February 2021 the Group initiated the legal processes required to implement this global settlement.

11. Events after the reporting period

COVID-19

The global COVID-19 picture remains a dynamic situation. Subsequent to the 2020 Reporting Period, new strains of the COVID-19 virus have resulted in Governments once again having to take strict measures. Many countries have tightened restrictions or reimposed lock downs which impacted on store operations and trading hours, increasing uncertainty. Despite this, the overall Steinhoff Group's trading has remained robust with healthy liquidity at operating level. While the Steinhoff Group has continued to demonstrate its resilience, management remain cautious about the trading outlook until such time as the pandemic has been brought under control.

Expected credit loss assessment

The impact on the calculation of the lifetime expected credit losses determined as part of the general approach, related party loans receivable was considered. In particular, the Company assessed which of its debtors, if any, have pre-existing conditions which would impair their ability to honour their loan commitments. In performing this exercise, the Company used evidence gathered between the reporting date and the date on which the financial statements were authorised for issue. The fair value of the underlying investments of the SINVH Group have not decreased significantly and is still sufficient to cover all the liabilities. Based on the evidence obtained, it remains unlikely that any increase in the lifetime expected credit losses will be material.

English Law Scheme of Arrangement and election of Dutch SoP by Steinhoff N.V.

On 27 November 2020 the Steinhoff N.V. Group announced that it had obtained an order from the English High Court to convene meetings of the Facility A1 SEAG creditors and the Facility A2 SEAG creditors to consider and approve the proposed English law scheme of arrangement. Meeting of each class of creditor were held on 15 December 2020.

The Group announced on 15 December 2020 that the resolutions put to the relevant classes of financial creditors were approved by the requisite majorities of Facility A1 SEAG creditors and the Facility A2 SEAG creditors present and voting. On 5 February 2021 the English High Court delivered a judgment in the SEAG CPU scheme of arrangement proceedings, granting the sanction order in the terms sought by Steinhoff N.V.

The English law scheme of arrangement in relation to Steinhoff N.V.'s SEAG CPU became effective on the same date and provided a further approval required from Steinhoff N.V.'s financial creditors to proceed with the proposed global settlement. The board of Steinhoff N.V. have concluded that Steinhoff N.V. will seek a Dutch SoP to assist with the implementation of the Group's Litigation Settlement Proposal. It also opposed the application due to be heard in the Amsterdam District Court on 8 February 2021 for the appointment of a restructuring expert under the Dutch Wet Homologatie Onderhands Akkoord ter voorkoming van faillissement procedure. Conservatorium and Steinhoff N.V. have requested that the Court defer the hearing to 15 February 2021.

On 15 February 2021, following a number of constructive engagements between the parties an agreement has been reached, in principle, between, among others, Steinhoff N.V., SIHPL, Conservatorium and certain entities linked to Christo Wiese. This agreement is subject to a number of conditions. The result of agreement reached among the parties is that Conservatorium withdrew the application.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

11. Events after the reporting period (continued)

English Law Scheme of Arrangement and election of Dutch SoP by Steinhoff N.V. (continued)

On 15 February 2021, the Steinhoff N.V. Group announced that the Amsterdam District Court approved Steinhoff N.V.'s application for the opening of a Dutch SoP in respect of Steinhoff N.V. The court has set the following key dates in respect of the Dutch SoP:

- 15 June 2021: voting record date; and
- 30 June 2021 at 10am (CET): creditor's meeting.

Following the opening of the Dutch SoP, SIHPL launched a S155 Scheme, on 15 February 2021, also as part of the implementation of the Steinhoff Group global settlement.

The Dutch SoP relates only to Steinhoff N.V. and the S155 Scheme relates only to SIHPL. These processes, which are inter-conditional, do not directly affect any of the other entities in the Steinhoff Group nor any of its operating businesses.

The purpose of the Dutch SoP process and the S155 Scheme is to implement the proposal to settle certain multi-jurisdictional legacy litigation and various claims against Steinhoff N.V. and SIHPL.

Implementation of the Steinhoff global settlement will require the requisite support of claimants and approvals by the Dutch and South African courts, and the process of obtaining such approvals is expected to take several months.

For further information refer to www.steinhoffsettlement.com.

Deloitte supports Steinhoff's Global Settlement

On 15 February 2021, Steinhoff N.V. also announced that together with SIHPL it has reached an agreement with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together: "Deloitte") pursuant to which Deloitte will support the proposed Group Litigation Settlement Proposal announced on 27 July 2020. This means that Deloitte will make additional compensation available to certain Group claimants, including the MPC Claimants in exchange for certain waivers and releases, provided that Steinhoff successfully completes the contemplated Dutch SoP and the statutory compromise process under South African law S155 Scheme. Deloitte is still in discussions with certain representatives of the MPC Claimants on the details of this offer, which envisages that such claimant representatives will be entitled to receive a certain incremental cost compensation. A settlement between Deloitte and the Dutch VEB was previously announced in October 2020.

Deloitte does not in any way admit liability for the losses incurred by Steinhoff and its stakeholders as a result of the accounting irregularities at Steinhoff.

Provided that the Group successfully completes the contemplated Dutch SoP and the S155 Scheme and certain other conditions are fulfilled, Deloitte has agreed to offer an amount of up to €55.34 million for distribution to MPC Claimants in exchange for certain waivers and releases (the "Deloitte MPC Settlement Fund").

In addition to the offer to the MPC Claimants above, provided that the Group successfully completes the Dutch SoP and the South African S155 Scheme and certain other conditions are met, Deloitte has further agreed to offer an amount of €15 million for distribution to certain contractual claimants. Eligible contractual claimants will receive individual notice from Steinhoff on the manner in which they can apply to receive a share of the offered amount.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

12. Going concern

In determining the appropriate basis of preparation, the board is required to consider whether the Company can continue in operational existence for the foreseeable future.

However, the board draws shareholders' attention to the following material uncertainties that are key in arriving at the forecasted cash flows, namely:

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

12. Going concern (continued)

Litigation and Regulation

Various entities within the group of which Steinhoff International Holdings N.V. ("Steinhoff N.V.") is the ultimate holding company (collectively "the Steinhoff N.V. Group"), are subject to multiple legal claims and regulatory investigations. Steinhoff N.V. and Steinhoff International Holdings Proprietary Limited ("SIHPL") have received several shareholder and vendor claims and notices of regulatory investigation. These legal proceedings and regulatory investigations have been initiated subsequent to the December 2017 events. The board of directors, assisted by the litigation working group of Steinhoff N.V. ("Litigation Working Group"), and in consultation with the Steinhoff N.V. Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the relevant regulatory bodies. Several initial defences have already been filed by the Steinhoff N.V. Group, in these legal proceedings.

On 27 July 2020, Steinhoff N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017 ("Litigation Settlement Proposal").

The Company's cash flow forecasts are adjusted for the impact of the Litigation Settlement Proposal as announced on 27 July 2020 by Steinhoff N.V. and detailed in note 22 of these Annual Financial Statements.

Steinhoff N.V. announced on 15 February 2021 that it was beginning the implementation of its global Litigation Settlement Proposal and had resolved to commence a Dutch Suspension of Payments procedure (surseance van betaling) ("Dutch SoP") in the Netherlands, which the Court approved, to implement its proposal to settle certain multijurisdictional legacy litigation and various claims against the Steinhoff Group including those against the former Steinhoff Group South African holding company, SIHPL. In parallel, the board of SIHPL has resolved to commence a statutory compromise process under South African law ("S155 Scheme") also as part of the implementation of the Steinhoff Group's global Litigation Settlement Proposal. Both the S155 scheme and the Dutch SoP are ongoing and shall be implemented in accordance with our public announcements and timelines available on the Steinhoff Settlement website.

Conclusion

In determining the appropriate basis of preparation of the annual financial statements of the Company, the board of directors is required to consider whether the Company can continue in operational existence for the foreseeable future. The board of directors draw attention to the following facts:

- at 30 September 2020, the Company's current assets are equal to its current liabilities, which includes the provision for the Litigation Settlement Proposal;
- at 30 September 2020, the Company's non-current liabilities exceeds its non-current assets pre-dominantly due to the inclusion of the SIHPL Contingent Payment Undertaking ("CPU") and the provision for the Litigation Settlement Proposal. The amount the Company will be able to pay under the SIHPL CPU is limited to the net asset value before inclusion of the CPU financial liability. Refer to note 8;
- that it is more likely than not that the global Litigation Settlement Proposal will be successful and for this reason the Litigation Settlement Proposal provision of R10.5 billion has been raised in the results of the Company, representing management's best estimate of the outflow of resources required to settle the legal claims of all market purchase claimants and contractual claims included the Litigation Settlement Proposal. For further detail of these claims, refer to note 22 Commitments and contingencies;
- as part of the Litigation Settlement Proposal, the SIHPL CPU creditors were asked to extend the payment date under the SIHPL CPU. In exchange for this extension, SIHPL will grant third-ranking security over all of its assets (which are primarily inter-company receivables in South Africa);
- management does not intend to liquidate the entity and plans to recover its assets and settle its debt in the normal course of business. As previously announced, for the implementation of the Litigation Settlement Proposal the Company intends to enter into a proposed pre-prepared compromise plan pursuant to section 155 of the Companies Act in South Africa;
- the amount that the Company will have available to repay, is dependent on Steinhoff Investment Holdings Limited ("SINVH") and Steinhoff Africa Holdings Proprietary Limited ("Steinhoff Africa") repaying intercompany loans to the Company. In terms of a sum-of-the parts calculation performed on the SINVH Group, the Steinhoff Africa and SINVH loans are recoverable;
- as at the effective date of signature of these financial statements, there are significant uncertainties which extend beyond the foreseeable future; and

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Directors' Report

12. Going concern (continued)

Conclusion (continued)

- given due cognisance of the Company's current financial position and the implementation steps of the Litigation Settlement Proposal as mentioned above, we are of the opinion that the Company will be able to meet its current liabilities as they become due and therefore is a going concern for the 12 month period following the date of issue of this Annual Financial Statements.

13. Auditors

The financial statements are subject to an audit and have been audited by Mazars.

They have been reappointed for the ensuing year.

14. Secretary

The Company secretary is Steinhoff Secretarial Services Proprietary Limited.

Business address:

Building B2
Vineyard Office Park
Cnr Adam Tas & Devon Valley Road
Stellenbosch
7600

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Statement of Financial Position as at 30 September 2020

	Note(s)	2020 R '000	2019 R '000
Assets			
Non-Current Assets			
Investments	4	655	843
Related party loans receivable	5	9 122 241	20 481 193
		9 122 896	20 482 036
Current Assets			
Related party loans receivable	5	15 245 916	3 989 189
Current tax receivable		1 638	22 681
Cash and cash equivalents	6	84 635	72 680
		15 332 189	4 084 550
Total Assets		24 455 085	24 566 586
Equity and Liabilities			
Equity			
Ordinary stated share capital	7	53 318 304	53 318 304
Reserves		(1 336)	(1 147)
Accumulated loss		(70 622 974)	(55 037 909)
		(17 306 006)	(1 720 752)
Liabilities			
Non-Current Liabilities			
Borrowings	8	26 428 902	22 202 788
Current Liabilities			
Other payables and accruals	9	44 113	41 965
Related party loans payable	10	62 840	62 840
Borrowings	8	4 737 256	3 979 745
Litigation settlement proposal provision	22	10 487 980	-
		15 332 189	4 084 550
Total Liabilities		41 761 091	26 287 338
Total Equity and Liabilities		24 455 085	24 566 586

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020 R '000	2019 R '000
Interest income	11	4 660	5 562
Other income		16 602	-
Net foreign exchange loss on financial instruments	12	(4 983 477)	(194 904)
Reversal of impairments on financial assets	13	-	68 946
Litigation Settlement Proposal provision	22	(10 487 980)	-
Administrative expenses	13	(135 791)	(11 421)
Loss before taxation		(15 585 986)	(131 817)
Taxation	14	921	(519)
Loss for the year		(15 585 065)	(132 336)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		(189)	(1 147)
Other comprehensive loss for the year net of taxation	15	(189)	(1 147)
Total comprehensive loss for the year		(15 585 254)	(133 483)

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Statement of Changes in Equity

	Ordinary stated share capital R '000	Fair value reserve R '000	Accumulated loss R '000	Total equity R '000
Balance at 30 September 2018	53 318 304	-	(54 905 573)	(1 587 269)
Loss for the year	-	-	(132 336)	(132 336)
Other comprehensive loss	-	(1 147)	-	(1 147)
Total comprehensive loss for the year	-	(1 147)	(132 336)	(133 483)
Balance at 30 September 2019	53 318 304	(1 147)	(55 037 909)	(1 720 752)
Loss for the year	-	-	(15 585 065)	(15 585 065)
Other comprehensive loss	-	(189)	-	(189)
Total comprehensive loss for the year	-	(189)	(15 585 065)	(15 585 254)
Balance at 30 September 2020	53 318 304	(1 336)	(70 622 974)	(17 306 006)

Note(s)

7

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Statement of Cash Flows

	Note(s)	2020 R '000	2019 R '000
Cash flows from operating activities			
Cash used in operations	16	(112 219)	(10 783)
Interest received		4 055	2 168
Tax received	17	22 569	(391)
Net cash from operating activities		(85 595)	(9 006)
Cash flows from investing activities			
Loans advanced to related parties		(850)	-
Proceeds from loans to related parties		98 400	79 480
Net cash from investing activities		97 550	79 480
Cash flows from financing activities			
Total cash movement for the year		11 955	70 474
Cash at the beginning of the year		72 680	2 206
Total cash at end of the year	6	84 635	72 680

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), the Companies Act 71 of 2008 and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period except for the adoption of new standards during the current year as set out in note 2.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Going concern assumption (refer to note 24)

In determining the appropriate basis of preparation of the financial statements, the board is required to consider whether the Company can continue in operational existence for the foreseeable future.

Correct classification and completeness of contingent liabilities

The directors apply their judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing whether an obligation is probable, more likely than not, or remote. This judgement application is used to determine whether an obligation is recognised as a liability or disclosed as a contingent liability. Refer to note 8 and note 22.

Classification of current and non-current portion of SIHPL CPU liability

The current portion of the CPU was determined in terms of the quasi-liquidation methodology which includes considering litigation claims against the Company. The amount is ultimately determined by the directors after extensive consultation with legal and financial advisors and engaging with lenders and litigants.

Classification of current and non-current portion of Loans receivable

The loans receivable will likely be called upon to settle the Litigation Settlement Proposal provision and other current liabilities, therefore one of the significant judgements included in the financial statements is that the portion of the loan receivable equal to the current liabilities is classified as current.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on management's assessment of amounts that will become taxable in the future.

1.3 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at fair value;
- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income; and
- Financial liabilities measured at amortised cost.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Financial assets held at amortised cost are measured initially at fair value including transaction costs, except for trade receivables that do not contain a significant financing component which are measured at the transaction price determined under IFRS 15. Financial liabilities at amortised cost are recognised initially at fair value.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Gains and losses for financial instruments at fair value through other comprehensive income is recognised in other comprehensive income.

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Accounting Policies

1.3 Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 4. The company has made the election to measure the investment in Steinhoff N.V. listed shares at fair value through other comprehensive income. Fair value adjustments recognised in other comprehensive income will not subsequently transfer to profit or loss.

These shares are not held for trading but rather as a strategic investment for the greater Steinhoff N.V. Group, therefore, management deemed the classification at fair value through other comprehensive income as more appropriate.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (and accumulated in equity in the reserve for valuation of investments). Details of the valuation policies and processes are presented in note 23.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets held at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment - Loans receivable that have no fixed terms of repayment

For loans receivable with no fixed terms of repayment, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the probability of default is usually small and the expected credit loss is immaterial as a result.

If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure expected credit losses. This includes a 'repay over time' strategy. If the recovery strategies indicate that the lender would fully recover the outstanding balance of the loan, the expected credit loss is limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which is regarded as 0% if the loan is interest free) over the period until cash is realised. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, no impairment loss is recognised.

The Company considers that an event of default has occurred if the borrower does not repay the loan when demanded. The Company writes off a loan when there is information indicating that the borrower is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the borrower has been placed under liquidation or has entered into bankruptcy proceedings.

Any reversal of provision for bad debt previously recognised, due to recovery of the balance is recognised in profit or loss in reversal of impairments on financial assets.

For loans that are credit impaired the interest income is recognised on the loan balance adjusted for impairment losses. A credit-impaired account will cure when the customer does not meet the criteria for being credit-impaired. For a debtor to cure, a significant improvement in the debtor's payment behaviour is required. Any unrecognised interest as a result of the curing of debt is recognised as recovery of bad debt.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Accounting Policies

1.3 Financial instruments (continued)

Borrowings and loans from related parties

The following liabilities are classified as financial liabilities measured at amortised cost:

- Loans from related parties (note 10).
- Borrowings (note 8).

Borrowings expose the Company to liquidity risk and interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are classified as financial assets subsequently measured at amortised cost. Cash and cash equivalents comprise cash on hand and cash held at bank. For the purposes of the cash flow, the cost per the statement of cash flows is made up of cash and cash equivalents.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, which affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Accounting Policies

1.5 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at a no-par value and classified as 'ordinary stated share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.6 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.7 Interest income

Interest is recognised on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

1.8 Related parties

Individuals or entities are related parties if any one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel (including directors) are also defined as related parties. Related party transactions and balances are disclosed in note 19.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

2. Changes in accounting policy

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 1 October 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The impact of the adoption of IFRS 16 on the company's financial statements is immaterial as the company has no lease contracts.

IFRIC 23: Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax when it is unclear whether a taxing authority accepts the tax treatment. The Interpretation provides guidance on how to account for uncertainty over income tax treatments under IAS 12.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements. The following is addressed in IFRIC 23:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The impact of the adoption of IFRIC 23 on the company's financial statements is immaterial.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact:
<ul style="list-style-type: none">Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	1 January 2019	The impact of the amendments is not material.
<ul style="list-style-type: none">Uncertainty over Income Tax Treatments	1 January 2019	The impact of the standard is set out in note 2 Changes in accounting policy.
<ul style="list-style-type: none">IFRS 16 Leases	1 January 2019	The impact of the standard is set out in note 2 Changes in accounting policy.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 October 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">Presentation of Financial Statements: Disclosure initiative	1 January 2020	Unlikely there will be a material impact
<ul style="list-style-type: none">Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020	Unlikely there will be a material impact

Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January 2020.

The company expects to adopt the amendment for the first time in the 2021 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
--	----------------	----------------

4. Investments

Investments held by the company which are measured at fair value are as follows:

Equity investments at fair value through other comprehensive income:

Listed shares - Steinhoff N.V.	655	843
	<u>655</u>	<u>843</u>

The investment in Steinhoff N.V. comprises 770 123 (2019: 770 123) ordinary shares acquired during the 2016 reporting period. The original cost was R55.3 million. Refer to note 21 (Price risk). The shares were sold in the open market on 12 October 2020.

Fair value information

Refer to note 23 Fair value information for details of valuation policies and processes.

Equity instruments at fair value through other comprehensive income

The Steinhoff N.V. shares are not held for trading but rather as a strategic investment for the greater Steinhoff N.V. Group, therefore management deemed the classification at fair value through other comprehensive income as more appropriate.

5. Related party loans receivable

Trusts

Steinhoff International Share Trust	20 197	20 197
Steinhoff International Share Trust - impairment provision	(20 197)	(20 197)
	<u>-</u>	<u>-</u>

The loan receivable from Steinhoff International Share Trust is unsecured, interest free and repayable when employees exercise their share options. An impairment provision has been made against this loan as the amount is not considered recoverable, based on the value of the underlying Steinhoff N.V. shares held at the reporting date.

Holding companies

Steinhoff Investment Holdings Limited	<u>17 747 684</u>	<u>17 749 184</u>
---------------------------------------	-------------------	-------------------

The loan receivable from SINVH is unsecured, bears no interest and is repayable on demand. ECL's are limited to the 12-month ECL's. Credit losses on the outstanding capital is not expected as the loan is considered highly liquid due to the realisation of the underlying investments of SINVH which is, based on its fair value, sufficient to cover all of its liabilities.

On 12 August 2019, the Company entered into an agreement with SINVH whereby the loan receivable and loan payable between the entities were set off against each other resulting in a net loan receivable being recognised in the Company's records. Refer to note 21 (Offsetting of loans).

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
5. Related party loans receivable (continued)		
Fellow subsidiaries		
Steinhoff Africa Holdings Proprietary Limited	6 620 473	6 721 198
Steenbok Newco 2A Limited	-	-
	6 620 473	6 721 198

The loan receivable from Steinhoff Africa is unsecured, bears no interest and is repayable on demand. Credit losses on the outstanding capital is not expected as the loan is considered highly liquid due to the realisation of the underlying investments of Steinhoff Africa which is, based on its fair value, sufficient to cover all of its liabilities.

On 12 August 2019, the Company entered into an agreement with Steinhoff Africa whereby the loan receivable and loan payable between the entities were set off against each other resulting in a net loan receivable being recognised in the Company's records. Refer to note 21 (Offsetting of loans).

As part of the Europe restructuring, the SFHG CVA was filed with the English court and were implemented on 13 August 2019. The loan with SFHG was therefore transferred to Steenbok Newco 2A Limited ("Newco 2A"). The implementation of the CVA's does not change the nature of the loan. The loan receivable from Newco 2A is deemed to be 100% credit impaired at initial recognition. As a result, the loan was recognised at its fair value of nil. This loan is Euro denominated, resulting in the loan amount and impairment provision being adjusted with forex movements each year.

A portion of the loans receivable will likely be called upon to settle the Litigation Settlement Proposal provision (refer to note 22) and other current liabilities, therefore one of the significant judgements included in the financial statements is that the portion of the loan receivable equal to the current liabilities is classified as current.

Split between non-current and current portions

Non-current assets	9 122 241	20 481 193
Current assets	15 245 916	3 989 189
	24 368 157	24 470 382

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

5. Related party loans receivable (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	12m ECL
Underperforming	Either 30 days past due or there has been a significant increase in credit risk since initial recognition. A significant increase in credit risk is indicated by a significant decrease in the value of the borrower's investments or changes in the scope of the business or organisational structure that result in a significant change in the borrower's ability to meet its debt obligations.	Lifetime ECL (not credit impaired)
Non-performing	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

5. Related party loans receivable (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans to related parties by credit rating grade:

2020

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount R'000	Loss allowance R'000	Credit impaired R'000	Amortised cost R'000
Loans to subsidiaries						
Steinhoff International Share Trust	Underperforming	Lifetime ECL (not credit impaired)	20 197	(20 197)	-	-
Loans to holding companies						
Steinhoff Investment Holdings Limited	Performing	12m ECL	17 747 684	-	-	17 747 684
Loans to fellow subsidiaries						
Steinhoff Africa Holdings Proprietary Limited	Performing	12m ECL	6 620 473	-	-	6 620 473
Steenbok Newco 2A Limited	Non-performing	Lifetime ECL (credit impaired)	21 092 479	-	(21 092 479)	-
			27 712 952	-	(21 092 479)	6 620 473

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

5. Related party loans receivable (continued)

2019

Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount R'000	Loss allowance R'000	Credit impaired R'000	Amortised cost R'000
Loans to subsidiaries						
Steinhoff International Share Trust	Underperforming	Lifetime ECL (not credit impaired)	20 197	(20 197)	-	-
Instrument						
Loans to holding companies						
Steinhoff Investment Holdings Limited	Performing	12m ECL	17 749 184	-	-	17 749 184
Loans to fellow subsidiaries						
Steinhoff Africa Holdings Proprietary Limited	Performing	12m ECL	6 721 198	-	-	6 721 198
Steenbok Newco 2A Limited	Non-performing	Lifetime ECL (credit impaired)	17 719 686	-	(17 719 686)	-
			24 440 884	-	(17 719 686)	6 721 198

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
5. Related party loans receivable (continued)		
Reconciliation of loss allowances		
Opening balance	(20 197)	(16 883 883)
Movement in provision for expected credit losses	-	(250)
Reversal of impairments	-	69 196
Derecognition of loans	-	16 794 740
Closing balance	(20 197)	(20 197)

As part of the Europe restructuring, the SEAG and SFHG CVAs were filed with the English court and was implemented on 13 August 2019. The loan to SFHG was therefore ceded to Newco 2A. The loan with SFHG were derecognised and on initial recognition of the loan with Newco 2A, the loan was deemed to be credit-impaired. As a result the loan was recognised at its fair value of nil.

Fair value of related party loans receivable

The fair value of related party loans receivable approximates their carrying amounts.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	84 635	72 680
---------------	--------	--------

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating (Moody's Short-term bank deposits (domestic))

NP	84 400	72 680
----	--------	--------

Risks on South African banks are considered negligible as all cash deposits are guaranteed by the SA Reserve Bank and banks are financially sound.

7. Ordinary stated share capital

Authorised

6 000 000 (2019: 6 000 000) Ordinary shares of no par value	-	-
---	---	---

Issued

3 862 638 640 (2019: 3 862 638 640) Ordinary shares of no par value	53 318 304	53 318 304
---	------------	------------

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
8. Borrowings		
Held at amortised cost		
SIHPL CPU financial liability	31 166 158	26 182 533
Split between non-current and current portions		
Non-current liabilities	26 428 902	22 202 788
Current liabilities	4 737 256	3 979 745
	31 166 158	26 182 533

The Company served as co-guarantor for the 2021 and 2022 convertible bonds issued by SFHG, a subsidiary of the Steinhoff N.V. Group.

In the 2018 Reporting Period the full amount of the guarantee (EUR 1.58 billion at the closing exchange rate of R16.43 per euro) was recognised as the borrower was in default with regards to the underlying obligations.

Upon the implementation of the CVA, the 2021 and 2022 convertible bonds issued by SFHG were restructured into the 21/22 Term Loan Facility and the SIHPL Contingent Payment Undertaking ("CPU") replaced the financial guarantee previously issued by the Company. Both the guarantee and the CPU liability are euro-denominated.

Under the SIHPL CPU, the Company undertook to take reasonable endeavours to pay an amount of up to 25 per cent of the aggregate outstanding amount of Facility A1 loans to the bondholders within five business days after implementation of the CVA. The directors also recognised that the 2021 and 2022 convertible bonds guarantee claims at SIHPL ranked pari passu with other unsecured claims of SIHPL, including any contingent or non-notified claims that may be proved at a future date. The reasonable endeavours undertaken by the directors includes extensive consultation with legal and financial advisors and engaging with lenders and litigants.

Whilst considering its obligations under the SIHPL CPU after the implementation of the CVA, the Company received letters of objection from three contingent creditors that sought to restrict the Company from making any payments under the SIHPL CPU. The Company agreed to give five clear business days' notice to the objecting parties of any intention to make payment. Further discussions are ongoing with the relevant parties.

The Company believes it has fulfilled its obligations under the SIHPL CPU. No decision to pay has been made under the SIHPL CPU to date.

As mentioned above, the SIHPL CPU is Euro denominated. The value of the SIHPL CPU, as at 30 September 2020, recognised at the year-end closing ZAR:EUR exchange rate of R19.71:€1.00, is R31.2 billion for both the current and non-current portion. The closing ZAR:EUR exchange rate weakened from R16.5576 at 30 September 2019 to R19.7092 at 30 September 2020, resulting in a c. R5.0 billion foreign exchange loss being recognised (refer to note 12).

The amount that SIHPL will have available to repay, is dependent on SINVA and Steinhoff Africa repaying intercompany loans owed to SIHPL. In terms of a sum-of-the parts calculation performed on the SINVA Group the Steinhoff Africa and SINVA loans are recoverable.

The amount the Company will be able to pay under the SIHPL CPU is limited to the net asset value before inclusion of the CPU financial liability.

The current portion of the CPU was determined in terms of the quasi-liquidation methodology which includes considering litigation claims against the Company. The amount is ultimately determined by the directors after extensive consultation with legal and financial advisors and engaging with lenders and litigants.

As part of the Litigation Settlement Proposal, the SIHPL CPU creditors were asked to extend the payment date under the SIHPL CPU. In exchange for this extension, SIHPL will grant third-ranking security over all of its assets (which are primarily inter-company receivables in South Africa).

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
9. Other payables and accruals		
Financial instruments:		
Other payables - Steinhoff At Work Proprietary Limited	38 171	38 171
Accrued expenses	5 942	3 794
	<u>44 113</u>	<u>41 965</u>
Fair value of other payables and accruals		
The fair value of other payables and accruals approximates their carrying amounts.		
10. Related party loans payable		
Holding company		
Steinhoff International Holdings N.V.	62 840	62 840
The loan payable to Steinhoff N.V. is unsecured, bears no interest and is repayable on demand.		
Split between non-current and current portions		
Current liabilities	62 840	62 840
Fair value of related party loans payable		
The fair value of related party loans payable approximates their carrying amounts.		
11. Investment income		
Interest income		
South African Revenue Service	605	3 144
Bank and other cash	4 055	2 168
Distribution from related party	-	250
Total interest income	<u>4 660</u>	<u>5 562</u>
12. Net foreign exchange loss on financial instruments		
Foreign exchange gains/(losses)		
Arising on loans to related parties	5	-
Translation of foreign borrowings	8	1 019
	<u>(4 983 477)</u>	<u>(195 923)</u>
	<u>(4 983 477)</u>	<u>(194 904)</u>

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
13. Operating loss		
Operating loss for the year is stated after charging the following, amongst others:		
Auditor's remuneration - external		
Audit fees	3 195	-
Other expenses		
Directors remuneration	3 224	2 623
Other expenses	129 372	8 798
	132 596	11 421
Refer to note 22 for the Litigation Settlement Proposal provision and further detail on the transaction.		
Impairment/(reversal) of loans to related parties		
Steinhoff International Share Trust	-	250
Conforama Holdings S.A.	-	(69 196)
	-	(68 946)
14. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - overprovision of prior year taxation	(921)	519
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(15 585 986)	(131 817)
Tax at the applicable tax rate of 28%	(4 364 076)	(36 909)
Tax effect of adjustments on taxable income		
Provision for impairment of related party loans receivable	-	(19 305)
Expenses not incurred in the production of income	2 974 657	1 874
Non-deductible foreign exchange losses	1 395 374	54 859
Non-taxable income	(4 649)	-
Tax loss utilised	(1 306)	-
Overprovision of taxation	(921)	-
	(921)	519

No provision has been made for 2020 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 6 661 108 657 (2019: R 6 665 769 182).

Expenses not incurred in the production of income in the 2020 Reporting Period relate to provision for litigation costs, as well as advisory, legal and consulting fees paid.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
15. Other comprehensive income		
Components of other comprehensive income - 2020		
	Gross R'000	Tax R'000
		Net R'000
Items that will not be reclassified to profit/(loss)		
Movements on fair adjustments on investments in equity		
Fair value adjustment - Steinhoff N.V. listed shares	(189)	-
		(189)
Components of other comprehensive income - 2019		
	Gross R'000	Tax R'000
		Net R'000
Items that will not be reclassified to profit/(loss)		
Movements on valuation of equity investments		
Fair value adjustment - Steinhoff N.V. listed shares	(1 147)	-
		(1 147)
16. Cash used in operations		
Loss before taxation	(15 585 986)	(131 817)
Adjustments for:		
Net foreign exchange loss	4 983 625	194 904
Interest income	(4 660)	(5 562)
Net impairments and movements in credit loss allowances	-	(68 946)
Movements in provisions	10 487 980	-
Loan write-off - Steinhoff Africa Holdings Proprietary Limited	(13 510)	-
Changes in working capital:		
Other payables and accruals	20 332	638
	(112 219)	(10 783)
17. Tax refunded		
Balance at beginning of the year	22 681	19 665
Current tax for the year recognised in profit or loss	921	(519)
Accrued interest	605	3 144
Balance at end of the year	(1 638)	(22 681)
	22 569	(391)

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

18. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2020

	Opening balance R'000	Foreign exchange movements R'000	Total non-cash movements R000	Closing balance R'000
Borrowings	26 182 533	4 983 625	4 983 625	31 166 158
Related party loans payable	62 840	-	-	62 840
	26 245 373	4 983 625	4 983 625	31 228 998
Total liabilities from financing activities	26 245 373	4 983 625	4 983 625	31 228 998

Reconciliation of liabilities arising from financing activities - 2019

	Opening balance R'000	Foreign exchange movements R'000	Other non-cash movements R'000	Total non-cash movements R'000	Closing balance R'000
Borrowings	25 986 610	195 923	-	195 923	26 182 533
Related party loans payable	5 776 287	-	(5 713 447)	(5 713 447)	62 840
	31 762 897	195 923	(5 713 447)	(5 517 524)	26 245 373
Total liabilities from financing activities	31 762 897	195 923	(5 713 447)	(5 517 524)	26 245 373

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
19. Related parties		
Relationships		
Ultimate holding company		Steinhoff International Holdings N.V.
Holding company		Steinhoff Investment Holdings Limited
Fellow subsidiaries		Steinhoff Africa Holdings Proprietary Limited
		Steinhoff at Work Proprietary Limited
		Conforama Holdings S.A.
		Steenbok Newco 2A Limited
		Steinhoff Finance Holding GmbH
		Steinhoff International Share Trust
Related trust		
Related party balances		
Refer to note 5 for the related party loans receivable and note 10 for the related party loans payable.		
Amounts included in other payables regarding related parties		
Steinhoff at Work Proprietary Limited	38 171	38 171
Related party transactions		
Distribution received from related parties		
Steinhoff International Share Trust	-	250
(Reversal)/additional impairment on related party loans		
Steinhoff International Share Trust	-	250
Conforama Holdings S.A.	-	(69 196)
	-	(68 946)
Compensation paid to DI Pauker		
Director fees	3 224	2 623

Interest of directors and officers in contracts

All directors and officers of the Company have, other than described below, confirmed that they had no interest in any contract of significance with the Company or any of its fellow subsidiary companies, which could have resulted in a conflict of interest during the period.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

20. Directors' emoluments

Executive

2020

	Basic remuneration R'000	Company directors' fees R'000	Supervisory Board fees R'000	Annual leave paid out R'000	Annual bonus paid R'000	Accrued short term and long term bonus R'000	Total R'000
LJ du Preez	24 618	-	-	2 109	8 483	30 231	65 441
TLR de Klerk	21 556	-	-	784	7 357	25 095	54 792
DI Pauker	-	3 224	3 163	-	-	-	6 387
	46 174	3 224	3 163	2 893	15 840	55 326	126 620

2019

	Basic remuneration R'000	Company directors' fees R'000	Supervisory Board fees R'000	Annual bonus paid R'000	Accrued short term and long term bonus R'000	Total R'000
LJ du Preez	20 295	-	-	-	23 665	43 960
TLR de Klerk	6 500	-	-	-	17 530	24 030
DI Pauker	-	2 623	1 186	-	-	3 809
PJ Dieperink*	28 517	-	-	8 734	-	37 251
	55 312	2 623	1 186	8 734	41 195	109 050

PJ Dieperink resigned on 7 May 2019.

* Includes a foreign amount converted to rand for reporting purposes.

Amounts included in bonuses include amounts accrued for the year and payable subsequent to year-end.

Remuneration for directors are only disclosed for the period that they were appointed as directors of the Company.

The above remuneration related to services rendered to other companies in the Steinhoff Group. The only remuneration paid by the Company was remuneration paid to DI Pauker. The directors did not receive any long term employee benefits.

Shareholding in Steinhoff N.V. by directors and in service as at the date of this report:

	Number of shares held directly and indirectly
LJ du Preez	5 165
TLR de Klerk	194 270
	199 435

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2020

	Note(s)	Fair value through other comprehensive income - equity instruments R'000	Amortised cost R'000	Total R'000
Investments	4	655	-	655
Related party loans receivable	5	-	24 368 157	24 368 157
Cash and cash equivalents	6	-	84 635	84 635
		655	24 452 792	24 453 447

2019

	Note(s)	Fair value through other comprehensive income - equity instruments R'000	Amortised cost R'000	Total R'000
Investments	4	843	-	843
Related party loans receivable	5	-	24 470 382	24 470 382
Cash and cash equivalents	6	-	72 680	72 680
		843	24 543 062	24 543 905

Categories of financial liabilities

2020

	Note(s)	Amortised cost R'000	Total R'000
Borrowings	8	31 166 158	31 166 158
Other payables and accruals	9	44 113	44 113
Related party loans payable	10	62 840	62 840
		31 273 111	31 273 111

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management (continued)

2019

	Note(s)	Amortised cost R'000	Total R'000
Borrowings	8	26 182 533	26 182 533
Other payables and accruals	9	41 965	41 965
Related party loans payable	10	62 840	62 840
		26 287 338	26 287 338

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2020

	Note(s)	Fair value through other comprehen- sive income - equity instruments R'000	Amortised cost R'000	Total R'000
Recognised in profit or loss:				
Interest income	11	-	4 055	4 055
Gain on loan correction		-	13 510	13 510
Recognised in other comprehensive income:				
Fair value gain on investments	15	(189)	-	(189)
Net gains/(losses)		(189)	17 565	17 376

2019

	Note(s)	Fair value through other comprehen- sive income - equity instruments R'000	Amortised cost R'000	Total R'000
Recognised in profit or loss:				
Interest income	11	-	2 418	2 418
Net foreign exchange gain on settlement of related party loan	12	-	1 019	1 019
Movement in impairments in related party receivables	13	-	68 946	68 946
Recognised in other comprehensive income:				
Fair value loss on investments	15	(1 147)	-	(1 147)
Net gains/(losses)		(1 147)	72 383	71 236

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2020

	Note	Amortised cost R'000	Total R'000
Recognised in profit or loss:			
Net foreign exchange loss on borrowings	12	(4 983 477)	(4 983 477)

2019

	Note	Amortised cost R'000	Total R'000
Recognised in profit or loss:			
Net foreign exchange loss on borrowings	12	(195 923)	(195 923)

Capital risk management

The capital structure of the company consists of borrowings disclosed in note 8, cash and cash equivalents disclosed in note 6, related party loans receivable in note 5, related party loans payable in note 10 and equity as disclosed in the statement of changes in equity. There are no externally imposed capital requirements. There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The capital risk faced by the Company during the 2020 Reporting Period remained substantial.

The implementation of the CVA has enabled the Company to start improving the management of capital risk.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable and cash and cash equivalents.

The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Management evaluates the credit quality of loans receivable on a regular basis and does not expect any non-performance by the parties. The company takes into account any historic default experience, the financial position of the counterparty, the effective interest rate of the loan as well as future prospects in the industries in which the counterparties operate.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management (continued)

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses.

The maximum exposure to credit risk is presented in the table below:

		2020			2019		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000
Related party loans receivable	5	24 388 354	(20 197)	24 368 157	24 490 579	(20 197)	24 470 382
Cash and cash equivalents	6	84 635	-	84 635	72 680	-	72 680
		24 472 989	(20 197)	24 452 792	24 563 259	(20 197)	24 543 062

The related party loans receivable was assessed for recoverability, as far as possible, on fair values of the underlying net assets. When the fair value of underlying assets was not available the net asset value of the party was used.

As at 30 September 2020, some of the related party loans receivable were past due but and fully impaired. Refer to note 5.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

Liquidity risk may also arise because of the possibility that the company could be required to pay its liabilities earlier than expected.

The maturity profile of contractual cash flows of non-derivative financial liabilities, held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2020

		Less than 1 year R'000	1 to 2 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities					
Borrowings	8	-	26 428 902	26 428 902	26 428 902
Current liabilities					
Other payables and accruals		44 113	-	44 113	44 113
Related party loans payable	10	62 840	-	62 840	62 840
Borrowings	8	4 737 256	-	4 737 256	4 737 256
		4 844 208	26 428 902	31 273 111	31 273 111

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
--	----------------	----------------

21. Financial instruments and risk management (continued)

2019

		Less than 1 year R'000	2 to 3 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities					
Borrowings	8	-	22 202 788	22 202 788	22 202 788
Current liabilities					
Other payables and accruals	9	41 965	-	41 965	41 965
Related party loans payables	10	62 840	-	62 840	62 840
Borrowings	8	3 979 745	-	3 979 745	3 979 745
		4 084 550	22 202 788	26 287 338	26 287 338

The debt less than 1 year will be financed by the realisation of loans receivable.

Foreign currency risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. The foreign currency in which the Company deal primarily is Euros.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

Euro exposure:

Non-current liabilities:

Borrowings	8	(26 428 902)	(22 202 788)
------------	---	--------------	--------------

Current liabilities:

Borrowings	8	(4 737 256)	(3 979 745)
------------	---	-------------	-------------

Net Euro exposure

	(31 166 158)	(26 182 533)
--	---------------------	---------------------

Exchange rates

Rand per unit of foreign currency:

Euro	19.709	16.434
------	--------	--------

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate	2020 R'000	2019 R'000
Impact on profit or loss:		
Euro weakening by 0.9% (2019: weakening by 10.2%) to the rand	280 495	2 670 618

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Variable interest R'000	Non-interest bearing R'000	Total R'000
30 September 2020			
Investments	-	655	655
Related party loans receivable	-	24 368 157	24 368 157
Cash and cash equivalents	84 635	-	84 635
Other payables and accruals	-	(44 113)	(44 113)
Related party loans payable	-	(62 840)	(62 840)
Borrowings	-	(31 166 158)	(31 166 158)
	84 635	(6 904 299)	(6 819 664)
30 September 2019			
Investments	-	843	843
Related party loans receivable	-	24 470 382	24 470 382
Cash and cash equivalents	72 680	-	72 680
Other payables and accruals	-	(41 965)	(41 965)
Related party loans payable	-	(62 840)	(62 840)
Borrowings	-	(26 182 533)	(26 182 533)
	72 680	(1 816 113)	(1 743 433)

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

21. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate	2020	2020	2019	2019
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Impact on profit or loss:				
100 basis points	846	(846)	727	(727)

Price risk

The company is exposed to price risk because of its investments in equity instruments which are measured at fair value.

All equity exposure was to Steinhoff N.V. shares. The investment was fair valued at 30 September 2020 using a 30-day VWAP of R0.85. A one percent change in the 30-day VWAP used in the valuation of the listed ordinary shares, designated to be classified as at fair value through other comprehensive income, would result in an immaterial adjustment to the fair value, through other comprehensive income before taxation. Subsequent to the reporting date, the share price of Steinhoff N.V. decreased slightly and traded on 30 October 2020 at R0.83 per share.

Offsetting of loans

During the 2019 Reporting Period, the Company entered into netting agreements with related parties whereby the loans payable and loans receivable were set off against each other (refer note 5 and 10).

The table below presents the recognised loans that were offset as at 30 September 2019 with the respective counterparties:

	SINVH R'000	Steinhoff Africa R'000
Loan receivable	19 941 736	10 242 093
Loan payable	(2 192 552)	(3 520 895)
	17 749 184	6 721 198

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies

Contingent liabilities - Legal Claims

The legal claims the Steinhoff N.V. Group faces are complex, multi-jurisdictional claims initiated by multiple parties relating to the alleged accounting irregularities announced in December 2017. Various proceedings have been commenced against the Company, its holding company and SIHPL in the Netherlands, Germany and South Africa. Not all claimants have sought to quantify their alleged damages at the outset of proceedings, but the combined claims of those that have sought to do so are in excess of R136 billion (€7 billion at a ZAR/Euro rate of ZAR19.5).

In addition to proceedings against Steinhoff N.V. Group entities, claims have also been made against, amongst others, former directors and officers of Steinhoff N.V. Group entities. In parallel, the Group is also evaluating potential claims it may have against third parties, and recoveries against implicated entities and individuals are being initiated where appropriate. The outcome of any recoveries remain uncertain.

All claims are being disputed in ongoing litigation proceedings and there remains uncertainty as to the outcome of all of those legal proceedings. If all such claims were ultimately established in the amounts asserted, it is clear that the net asset value of the Steinhoff N.V. Group would fall far short of the amount required to satisfy them in full. In such circumstances, liquidation proceedings would ensue which would, in the Group's view, materially impair the value of assets available for distribution and adversely affect the timing and amount of the claimants' recoveries relative to the proposed settlement.

The base currency of the claims has been converted to the reporting currency by using the closing exchange rates of the 2020 Reporting Period.

In broad terms, the claims instituted in legal proceedings against Steinhoff N.V. and SIHPL fall into three categories:

- a) market purchase claims ("MPCs") in respect of shares and securities acquired on markets;
- b) contractual claims ("Contractual Claims") by those claimants who, in accordance with the terms of contractual arrangements involving Steinhoff Group, sold businesses, shares or otherwise received consideration directly from Steinhoff Group by way of issuance, or
- c) other claims that are neither MPCs nor Contractual Claims against Steinhoff N.V. or SIHPL ("Non-Qualifying Claims").

Any proposed settlement consideration paid or delivered by Steinhoff N.V. or SIHPL will be in full and final settlement of any and all MPCs or Contractual Claims of the claimant or counterparty against any member of the Steinhoff Group (unless otherwise specified).

Disclosure on the status of legal claims against the Steinhoff Group, will be divided into 2 sections:

- A) MPC and Contractual Claims included in Litigation Settlement Proposal; and
- B) Other Non-Qualifying Claims not included in Litigation Settlement Proposal.

A) MPC and Contractual Claims included in Litigation Settlement Proposal

Litigation Settlement Proposal

Per the SENS announcement on 27 July 2020, the Steinhoff N.V. Group has formulated proposed settlement amounts for various claimant groups (as explained above) in light of the characteristics of, and risks affecting, their claims, the Steinhoff N.V. Group's ability to continue trading and to maximise the asset values available to it, and the likely outcomes for claimants if the Steinhoff N.V. Group was unable to do so and liquidation ensued. The terms of the global Litigation Settlement Proposal were updated in October 2020. A provision has been raised during the 2020 Reporting Period based on the estimated financial outcome of the Litigation Settlement Proposal. The proposed settlement terms also have regard to the adverse impact of the COVID-19 pandemic on the value of the Steinhoff N.V. Group's underlying businesses and the effect of currency movements.

The Steinhoff N.V. Group's settlement proposal is made on the basis that it does not represent an admission of any liability in respect of any of the various claims made against any member of the Steinhoff N.V. Group or any directors, officers, employees or advisers, past or present.

The Steinhoff N.V. Group announced on 16 February 2021 that following its application to the Amsterdam District Court on 15 February 2021 for a Dutch SoP, the Amsterdam District Court opened the Dutch SoP in respect of Steinhoff N.V. on 15 February 2021.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

Following the opening of the Dutch SoP, SIHPL has launched a statutory compromise process under South African law (“S155 Scheme”) also as part of the implementation of the Litigation Settlement Proposal. The Dutch SoP relates only to Steinhoff N.V. and the S155 Scheme relates only to SIHPL. These processes, which are inter-conditional, do not directly affect any of the other entities in the Steinhoff N.V. Group nor any of its operating businesses.

The purpose of the Dutch SoP process and the S155 Scheme is to implement the proposal to settle certain multi-jurisdictional legacy litigation and various claims against Steinhoff N.V. and SIHPL. In consideration for payment of the settlement consideration, participating claimants will be required to grant full and final releases and waivers of claims against the Steinhoff N.V. Group and other parties on the terms set out in the Schemes.

Their respective terms are available at www.SteinhoffSettlement.com.

Implementation of the Steinhoff global Litigation Settlement Proposal will require the requisite support of claimants and approvals by the Dutch and South African courts, and the process of obtaining such approvals is expected to take several months. Commencement of these processes follows the separate agreements reached with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together “Deloitte”) and Conservatorium announced on 14 February 2021. Refer to note 25 in this regard. Discussions are ongoing with other third parties regarding possible additional contributions. The Dutch SoP scheme proposal and the s155 scheme proposal provide an implementation framework to deliver such recoveries to creditors. In the event additional contributions are agreed by other parties, and if required, the Dutch SoP scheme proposal and s155 scheme proposal will be amended to accommodate the relevant terms on which related recoveries will be delivered by such third parties.

The proposed terms of the settlement provided for payments materially in excess of the permission granted by financial creditors in 2019 and required fresh consent from financial creditors.

As announced, in addition to achievement of the necessary levels of support by claimants to the Steinhoff N.V. Group’s proposal, (being a majority in number (more than 50%) representing 75% by value of those voting in each class in respect of the s155 proceedings and a simple majority of the number of ordinary insolvency creditors attending the meeting which represents at least half of the total amount of admitted ordinary insolvency creditor claims in respect of the Dutch SoP the settlement was conditional on, inter alia:

- i. **Approval from financial creditors:** The October 2020 settlement term sheet required the approval of Steinhoff N.V.’s financial creditors. A consent request was launched on 9 October 2020 to obtain the formal support of the financial creditors for the terms and proposed implementation of the settlement. During November 2020 Steinhoff N.V. announced that it had received overwhelming support from the financial creditors and that, in particular, the Steinhoff N.V. Group had obtained the requisite consent from its creditors in respect of all relevant financial instruments, with the exception of Steinhoff N.V.’s “SEAG Contingent Payment Undertaking”, in respect of which “all-lender support” was required but two financial institutions had voted against. As a result, Steinhoff N.V. then undertook an English law scheme of arrangement (“Steinhoff N.V. Scheme”) to obtain the necessary unanimous approval under the SEAG Contingent Payment Undertaking. The necessary majorities of lenders approved the proposal in the scheme meetings that took place on 15 December 2020 in London and the High Court of England heard the Company’s application to sanction the Steinhoff N.V. Scheme on 26 and 27 January 2021. The High Court granted the sanction order in the terms sought by Steinhoff N.V. in a judgment delivered on 5 February 2021 and, following the satisfaction of various conditions, the 9 October 2020 consent request became effective on that date. Incremental consents will be sought from Steinhoff N.V.’s financial creditors in connection with further long form documents and other matters relating to the implementation of the Litigation Settlement Proposal in accordance with the terms of the 9 October 2020 consent request. The financial creditors have been asked to waive any tort (delict) claims against the Steinhoff N.V. Group. Steinhoff N.V. has agreed to grant security over its shares in SINVH in return for the debt extension. The following debt term extensions have been requested as part of the Steinhoff N.V. Scheme:

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

a Term extension

Consent is sought under the relevant Steinhoff finance documents:

- for an extension to the maturity date, 31 December 2021, under the Steinhoff N.V./SEAG CPU, the SIHPL/SFHG CPU and the Steinhoff N.V./Hemisphere CPU; and
- for an extension to the termination date specified under each of the facility agreements and the Hemisphere facility agreement,

to 30 June 2023, with provision that in each case the maturity date and the termination date may be extended by a further 6 months under each of the Steinhoff finance documents at the request of Steinhoff N.V. with the approval of the umbrella agent acting on the instructions of the simple majority settlement creditors ("Term Extension").

b Interim Extension Option

Consent is sought under the relevant Steinhoff finance documents:

- for an extension to the maturity date, 31 December 2021, under the Steinhoff N.V./SEAG CPU, the SIHPL/SFHG CPU and the Steinhoff N.V./Hemisphere CPU; and
- for an extension to the termination date specified under each of the facility agreements and the Hemisphere facility agreement,

for a period of up to 12 months from the existing maturity date and termination date at the request of Steinhoff N.V. with the approval of the umbrella agent acting on the instructions of the simple majority settlement creditors ("Interim Extension Option").

The Interim Extension Option may only be exercised by the Company if (i) all Consent Requests have been approved by the requisite majorities of creditors under the Steinhoff Finance Documents, and (ii) the Steinhoff N.V. has commenced a Dutch SoP procedure for the purpose of implementing the Litigation Settlement Proposal.

The implementation of the Interim Extension Option will allow the Company to continue operating as a going concern while the Litigation Settlement Proposal is implemented.

- ii. **Finsurv approval:** In addition, the Steinhoff N.V. Group required approval from the South African Reserve Bank ("Finsurv") for the terms of the Group Litigation Settlement Proposal. Steinhoff N.V. accordingly applied to Finsurv for consent to the cross-border payments to be made as part of the Litigation Settlement Proposal and received such approval on 25 November 2020. The approval is valid for 12 months from the date of grant. Further approvals will be sought if and to the extent required in respect of the terms to be submitted under the schemes.

Settlement proposal details

The detailed terms of the proposal ("Settlement Term Sheet") can be found on the Company's website at the following web-address: <https://www.steinhoffinternational.com/settlement-litigation-claims.php>.

The terms of the proposal reflect key features of the parties' respective claims, including:

- the legal basis for the claim;
- the laws of the jurisdiction in which the claim is brought;
- the nature and extent of the loss claimed;
- legal uncertainties affecting the claim and recoverability of loss; and
- the financial position of the Steinhoff entity against which the claim arises.

The terms of the settlement proposal are, in summary, as follows:

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

• Market purchase claimants (“MPC”):

The Steinhoff N.V. Group will settle eligible Steinhoff N.V. MPCs and SIHPL MPCs for a total settlement consideration amount of €266 million.

This settlement consideration will be paid 50 per cent in cash funded from the South African sub-group and 50 per cent in shares of Pepkor Holdings Limited (“PPH shares”), settled at a deemed price per share of R15. No lock up restriction on sale of the PPH shares is required in respect of PPH shares issued to the MPC claimants. Steinhoff N.V. estimates that approximately up to 173 million PPH shares (or 4.6 per cent of the total PPH issued share capital) will be transferred to MPC claimants as a result of the settlement.

In addition, in order to facilitate recoveries to market purchase claimants the Group is considering making available an amount of up to €30 million to pay in respect of certain fees, costs and work undertaken by the active claimant groups (“ACGs”) on the terms to be specified in the settlement documents. The specific terms of the proposal remain under consideration.

• Steinhoff N.V. Contractual Claims:

Contractual claims against the Steinhoff N.V. Group will be settled at the same relative recovery rate as the MPCs against the Steinhoff N.V. Group. The Steinhoff N.V. Group estimates the total amount to be required to settle such contractual claimants to be in the region of €104 million. Such settlement consideration will also be paid 50 per cent in cash and 50 per cent in PPH shares settled at a deemed price per share of R15. Consistent with the proposal in relation to the market purchase claimants settled by Steinhoff N.V., no lock up restriction on sales is required in respect of PPH shares allocated to Steinhoff N.V. Group contractual claimants.

Steinhoff N.V. estimates that up to 67 million PPH shares (or 1.8 per cent of the total PPH issued share capital) will be transferred to contractual claimants.

• SIHPL Contractual Claims:

SIHPL will settle the claims made against it by contractual claimants from its own resources. SIHPL contractual claims (other than claims by Thibault and Wiesfam) will be settled for a total amount of approximately **R1.5 billion** (€76 million at a ZAR/euro rate of 19.5). The claims of Thibault and Wiesfam will be settled for a proportionally lower recovery rate in the total nominal amount of approximately **R7.9 billion** (€406 million at a ZAR/euro rate of 19.5). The settlement consideration will also be paid 50 per cent in cash and 50 per cent in PPH shares at a deemed price per share of R15. Subject as follows, SIHPL contractual claimants will be required to agree to lock up PPH shares allocated to them for 180 days from the effective date of settlement.

Conservatorium has brought significant claims arising out of its ownership of certain margin loans which financed Upington Investment Holdings B.V.’s acquisition of shares in Steinhoff N.V. which represent non qualifying claims in the October 2020 settlement term sheet.

As announced on 14 February 2021, Steinhoff N.V. and SIHPL have entered into an agreement with Conservatorium and other margin lenders to settle such claims. Titan related entities are also party to that agreement. Under the terms of the agreement, on the settlement effective date and in exchange for mutual releases and support for the global Litigation Settlement Proposal, Conservatorium and the other margin lenders will be entitled to the settlement recovery at Steinhoff N.V. attributable to the “Upington 1” claim and Steinhoff Africa will pay on behalf of SIHPL an additional amount of €61 million (**R1.1 billion** converted at a ZAR/euro rate of 18.18) in settlement of the remaining claims. Titan will receive the recovery at SIHPL previously announced in the October 2020 settlement term sheet, subject to further agreements to be concluded between the Company, SIHPL and Titan entities.

In respect of the SIHPL contractual claimants BVI and Cronje & others who are current employees and managers of PPH, SIHPL proposes that their settlement consideration be entirely in the form of PPH shares at a deemed settlement price of R13 per share and R13.50 per share, respectively, provided they agree to a certain lock up restriction of sale of those PPH shares from the effective date of the settlement.

The Steinhoff N.V. Group estimates that approximately 345 million PPH shares (or 9.3 per cent of the total PPH issued share capital) will be transferred to SIHPL contractual claimants assuming BVI and Cronje & others take up their option to be paid entirely in PPH shares.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

- **Measurement of Litigation Settlement Proposal provision**

Only the SIHPL portion (c. **R10.5 billion**) of the total proposed Steinhoff Group legal settlement provision (c. R18.4 billion) is relevant to the Company, and it has therefore been included in the financial statements for the year ended 30 September 2020. These amounts are subject to change based on the ZAR:EUR exchange rate and the prevailing Pepkor Holdings Limited share price at date of settlement. The exchange rate used in the determination of these amounts was R19.46 and a Pepkor Holdings Limited share price of R15.00. The Steinhoff Group has the right, at its election, to settle the settlement consideration in a greater portion, or in full amount, in cash and in accordance with the settlement term sheet as published on 27 July 2020 and 9 October 2020.

The Steinhoff Group will pay the cash portion of the settlement amount in ZAR to the extent this is consistent with the denomination of the participant's underlying transaction and in euros to the extent this is consistent with the denomination of the participant's underlying transaction. The settlement consideration provided by the company will be independent of any recoveries made by claimants from third parties. Any such recoveries will be incremental to payments to be made to litigants by SIHPL.

Management draws the user of these financial statements' attention to the fact that any form of the proposed settlement, if implemented, could differ materially from the provision raised.

- **Post settlement - Pepkor Holdings Limited:**

The Steinhoff N.V. Group estimates that the settlement will result in the Steinhoff Group continuing to hold in excess of 50 per cent of PPH shares. Steinhoff N.V. has the right, at its option, to settle the settlement consideration in a greater portion, or in full amount, in cash and in accordance with the Settlement Term Sheet.

- **Claim verification & disputes:**

The Steinhoff N.V. Group is contemplating establishing a new Dutch Stichting foundation together with supporting arrangements in South Africa (for South African claimants) to act as the Steinhoff Recovery Foundation ("SRF"). The purpose of the SRF will be to administer and distribute the settlement consideration paid by, or on behalf of, the Steinhoff N.V. Group. It will be governed by a board of newly appointed directors with majority independence from the Steinhoff N.V. Group. Claimants will be required to submit their claims for verification prior to receiving settlement payments. SRF will retain Computershare to assist it to administer and verify claims prior to payment of the settlement consideration. The Steinhoff Group will also provide up to €16.5 million to cover the costs of the SRF. Any costs in excess will be deducted from the settlement payment, and any surplus amount will revert to the Steinhoff Group.

The Steinhoff N.V. Group's view remains that the global settlement, as proposed, provides the means to substantially resolve the historical claims against it and remains firmly in the best interests of all stakeholders.

Details of the MPC and Contractual Claims are set out below:

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

Thibault Claimants v Steinhoff N.V. and SIHPL

- Thibault and Upington (subsequently substituted by Titan) ("Thibault Claimants") have instituted a claim against Steinhoff N.V. and SIHPL on 26 April 2018 for the cancellation of subscription agreements based on alleged misrepresentation and restitution as follows:
 - i. contractual claim by the Thibault claimants against SIHPL for an amount of R34.7 billion based on the subscription agreement entered into between the parties on 25 November 2014, in terms of which Thibault subscribed for 609 million ordinary shares in SIHPL.
 - ii. a claim by Thibault against Steinhoff N.V. for restitution of the assets distributed by SIHPL to Steinhoff N.V. in terms of the scheme of arrangement.
 - iii. a claim of damages by Upington, in the amount of R24.69 billion based on subscription agreements whereby Upington subscribed for a combined total of 314 million Steinhoff shares for R24.69 billion. Upington was replaced by Titan as claimant after selling and ceding its claims to Titan. During July 2019, Conservatorium Holdings LLC, the legal successor in title to Upington's lenders ("Conservatorium") was granted leave, through Dutch legal proceedings, to levy a prejudgment attachment on Upington's claims against Steinhoff N.V. and SIHPL. As such, in March 2020 Conservatorium initiated intervention proceedings in the High Court of South Africa, for Conservatorium and Upington to be named as plaintiffs in the proceedings.
 - iv. On 15 February 2021, following a number of constructive engagements between the parties an agreement has been reached, in principle, between, among others, Steinhoff N.V., SIHPL, Conservatorium and certain entities linked to Christo Wiese. This agreement is subject to a number of conditions. The result of the agreement reached among the parties is that Conservatorium withdrew the application.

GT Ferreira Claimants v Steinhoff N.V. and SIHPL

- GT Ferreira and the trustees of Tokara BEE Trust and the Tokara Employees Trust ("GT Ferreira Claimants") have instituted a claim on 1 June 2018 against Steinhoff N.V. and SIHPL, to have certain share swap agreements, entered into between the parties on or about 25 June 2015, declared void ab initio, alternatively declaring that such swap agreements were lawfully cancelled by the GT Ferreira Claimants on 10 May 2018 and ordering SIHPL to return to the GT Ferreira Claimants the PSG shares that formed part of the swap agreement, alternatively ordering SIHPL to pay the GT Ferreira Claimants the value of such PSG shares being in total R1.17 billion. Proceedings are ongoing.

Wiesfam v Steinhoff N.V. and SIHPL

- Wiesfam Trust Proprietary Limited ("Wiesfam") has instituted a claim against Steinhoff N.V. and SIHPL on 26 April 2018 for the cancellation of subscription agreements based on alleged misrepresentation and restitution as follows:
 - i. a contractual claim by Wiesfam against SIHPL for the return of 15.5 million PSG shares, alternatively payment of the amount of R3.4 billion as damages. The claim is based on an oral share issue agreement entered into between the parties on 15 December 2011, in terms of which Wiesfam subscribed for 29.7 million ordinary shares in SIHPL for a consideration of 15.5 million PSG shares. Wiesfam alleges that it was induced to enter into the share issue agreement based on certain fraudulent and/or negligent misrepresentations and non-disclosures made by SIHPL through Markus Jooste.
 - ii. claim by Wiesfam against Steinhoff N.V. for restitution of the assets distributed by SIHPL to Steinhoff N.V. in terms of the scheme of arrangement.

Proceedings are ongoing.

Le Toit v Steinhoff N.V., SIHPL and SINVH

- The Trustees of Le Toit trust ("Le Toit") have instituted a claim on 31 August 2018 against SIHPL, Steinhoff N.V., SINVH, Markus Jooste and Ben la Grange, for the cancellation of share exchange agreements, based on alleged misrepresentations, and claims for damages against the defendants for payment of the amount of R740 million.
- The claims are based on written share exchange agreements entered into between SIHPL and Le Toit on 24 June 2015, in terms of which SIHPL swapped 10.2 million ordinary shares in SIHPL for 3.8 million PSG shares. Proceedings are ongoing.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

Enrico De Villiers Greyling v SIHPL

- On 15 February 2019, Enrico De Villiers Greyling ("Greyling") instituted a claim against SIHPL for the return of 500 000 shares in PSG, valued at R196.18 per share, in exchange for 1.3 million Steinhoff shares issued to him in terms of an exchange agreement entered into on or about 24 June 2015 (initially for shares in SIHPL which were converted at listing of Steinhoff N.V.) which Greyling now seeks to cancel on the basis of alleged misrepresentation. There is no alternative claim for damages. Greyling seeks restitution of 500 000 PSG shares in exchange for 1.3 million Steinhoff N.V. shares. Proceedings are ongoing.

Conservatorium Holdings LLC v SIHPL, Steinhoff N.V. and 5 Others

- On 15 May 2020, Conservatorium Holdings LLC ("Conservatorium") initiated action proceedings in South Africa against SIHPL, Steinhoff NV, Thibault Square Financial Services Proprietary Limited ("Thibault"), Titan Premier Investments Proprietary Limited ("Titan"), Titan Group Investments Proprietary Limited, Christoffel Hendrik Wiese and Jacob Daniel Wiese. Conservatorium sues in its capacity as assignee and successor in title of rights and claims under certain Loan Facilities and Security Agreements (collectively, the "Financing Agreements") concluded in 2016 and 2017 between a consortium of banks (as lenders and cessionaries) and Upington Investment Holdings B.V. ("Upington", an erstwhile subsidiary of Titan), Thibault and Titan (as borrowers and cedants). Conservatorium alleges that on 25 November 2014, Thibault acquired 609 145 624 SIHPL shares for an aggregate consideration of R34.72 billion which were subsequently exchanged for shares in Steinhoff N.V. by virtue of the 2015 scheme of arrangement. Conservatorium alleges that in terms of the Financing Agreements, certain loan facilities were extended to Upington, collateralised by the pledge of 750 million Steinhoff N.V. shares via Upington and Titan. Conservatorium further alleges that it has subsequently acquired:
 - 94% of the claims, rights and benefits of the lenders against any party under or in connection with the Financing Agreements,
 - any and all future claims (including claims against third parties) accruing to the lenders under contract, delict, law, statute or otherwise in connection with the Financing Agreements, and
 - certain ancillary rights and claims. Accordingly, Conservatorium claims that but for alleged misrepresentations made by SIHPL, the lenders would not have extended the loan facilities and by doing so have incurred losses of €993,500,000 for which Conservatorium has acquired the right to claim €933,900,000, being 94% thereof, from SIHPL (the "Lenders' Claim").

Furthermore, Conservatorium alleges that it is entitled to claim the subscription price that Thibault paid to SIHPL in the amount of R34.72 billion. This matter is ongoing.

- Conservatorium initiated separate proceedings in the Netherlands on 29 January 2020 (the "Dutch Conservatorium Claim"). The Dutch Conservatorium Claim seeks to enforce (i) the Upington 1 Claim against Steinhoff N.V. and SIHPL, (ii) the Upington 2 Claim against Steinhoff N.V. and SIHPL and (iii) the Lenders' claim against Steinhoff N.V. and SIHPL. Thibault and Titan (entities related to Christo Wiese) intervened in these proceedings following the judgment of the Court dated 23 September 2020. On 27 January 2021, Steinhoff filed a submission containing preliminary motions.

As announced on 15 February 2021, Steinhoff N.V. and SIHPL have entered into an agreement with Conservatorium and other margin lenders to settle such claims. Titan related entities are also party to that agreement. Under the terms of the agreement, on the settlement effective date and in exchange for mutual releases and support for the global settlement proposal, Conservatorium and the other margin lenders will be entitled to the settlement recovery at Steinhoff N.V. attributable to the "Upington 1" claim and Steinhoff Africa will pay on behalf of SIHPL an additional amount of €61 million (R1.1 billion) in settlement of the remaining claims. Titan will receive the recovery at SIHPL previously announced in the October 2020 settlement term sheet, subject to further agreements to be concluded between the Company, SIHPL and Titan entities.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

Mantessa Equities Proprietary Limited v SIHPL

- On 20 November 2020 Mantessa Equities Proprietary Limited ("Mantessa") instituted a claim in the Western Cape High Court against SIHPL for damages in the amount of R206 million.
- This is a MPC claim and arises pursuant to the purchase of SIHNV shares by Mantessa from Plus27 Financial Services Holdings Proprietary Limited ("Plus27"). The shares were originally received by Plus27 in terms of an agreement concluded between Plus27 and Business Venture Investments 1499 (RF) Proprietary Limited. Mantessa claims damages based on alleged misrepresentations in the financial statements. The claim has been defended. Proceedings are ongoing.

Cronje & Others v SIHPL

- On 29 March 2019 the Plaintiffs (Charl Cronjé, Jacobus du Toit, Annamie Hansen, Leon Lourens, Estelle Morkel, Jacobus Pienaar, Johan van Rooyen, Johan Wasserfall), all members of the management teams of Pepkor Holdings Limited and who held shares in this company on that basis, instituted proceedings against SIHPL for R450 million arising out of separate share exchange agreements entered into by them with SIHPL, in terms of which each of them exchanged his or her shares in Pepkor Holdings Limited for shares in SIHPL. Later, the plaintiffs became shareholder of Steinhoff N.V. through the Scheme of Arrangement. The 5th plaintiff (Morkel) withdrew her claim on or about 14 August 2020. Proceedings are ongoing.

BVI v SIHPL

- On 25 March 2019, BVI, a shareholder, having acquired SIHPL shares from a company related to SIHPL and/or SIHPL itself (which were subsequently swapped for Steinhoff N.V. shares pursuant to the listing of Steinhoff N.V.), instituted a claim against SIHPL for loss emanating from the reduction in value of its Steinhoff N.V. shares in the amount of c.ZAR2.16 billion. BVI has instituted a delictual claim based what is asserts was on false and misleading information, with an alternative statutory claim for breach of the South African Companies Act. Proceedings are ongoing.

Mayfair Speculators Proprietary Limited v Steinhoff N.V., SIHPL and Jooste

- On 20 November 2020 Mayfair Speculators Proprietary Limited ("Mayfair") instituted a claim in the Western Cape High Court against SIHPL, Steinhoff N.V., and Markus Jooste, for damages against the defendants and payment of the amount of ZAR4.1 billion; alternatively, ZAR3.9 billion further alternatively, ZAR719.4 million.
- The claim is based on a written share exchange agreement entered into between SIHPL and Mayfair in December 2011, in terms of which SIHPL swapped 31 million ordinary shares in SIHPL for 16.5 million PSG shares. The claim has been defended. Proceedings are ongoing. The claim has been classed as a contingent scheme creditor in the proposed section 155 scheme.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

A) MPC and Contractual Claims included in Litigation Settlement Proposal (continued)

Hamilton v Steinhoff N.V. and SIHPL

- Hamilton BV and Hamilton 2 BV ("Hamilton") are seeking declaratory relief and damages in the District Court of Amsterdam, flowing from the assertion that Steinhoff N.V. and SIHPL together with the other named parties, allegedly misrepresented their financial position causing the relevant shareholders damage. Steinhoff filed a submission with preliminary motions and on applicable law in March 2020. On 26 June 2020, Hamilton initiated separate proceedings in the Western Cape High Court claiming damages of R14 billion plus interest. In December 2020, Hamilton initiated additional action proceedings in South Africa together with 73 individuals claiming damages of R2.2 billion plus interest. Hamilton has similarly added additional parties to its Dutch claim.
- On 23 November 2020, the Hamilton parties initiated motion proceedings in the Western Cape High Court seeking declaratory relief that (i) neither the "Contractual Claimants" or "Market Purchase Claimants" classes defined in the settlement proposal for the purpose of the compromise with creditors contemplated in terms of section 155 of the Companies Act in respect of SIHPL constitute a class; and (ii) an adopted compromise in terms of section 155 of the Companies Act on the terms proposed would not be sanctionable by a court.
- On 21 January 2021 Hamilton's postponement application was heard. SIHPL's order sought in terms of the ex parte notice application was granted, subject to two variations. One being that the granting of the order did not constitute the Court's approval / endorsement of the proposal, and that the notices to be published are to be published in official languages in the various countries.
- In the Dutch proceedings Steinhoff N.V. and SIHPL filed their preliminary motions and their view on the issue of the applicable law on 30 March 2020. On 27 January 2021, Hamilton filed its statement of defense in respect of the preliminary motions raised by defendants. After this, a date for a hearing in the preliminary motions will be scheduled.

Other shareholder claims

- On 20 March 2019, Trevo Capital Limited, a shareholder having acquired SIHPL shares on the secondary market (which were subsequently swapped for Steinhoff shares pursuant to the listing of Steinhoff N.V.), instituted a damages claim against SIHPL for loss emanating from the reduction in value of its Steinhoff shares in the amount of c.R2.16 billion. Trevo has brought an application in the Western Cape High Court, seeking to intervene, as a respondent, in Hamilton's declaratory application, on the basis that it has a direct and substantial interest in the outcome of Hamilton's declaratory application. Trevo's application is supported by BVI, and the Cronje claimants. SIHPL has opposed the intervention application, but no further papers have yet been filed, and no date has been set for the hearing of Trevo's intervention application.

Separately, Trevo has brought an application in the Western Cape High Court, seeking an order (1) declaring that (a) a guarantee provided by SIHPL on 30 January 2014, in respect of a convertible bond issued by SFHG, and which was subsequently amended or replaced on 12 August 2019 by the SIHPL contingent payment undertaking ("SIHPL CPU") between SIHPL and Global Loan Agency Services Limited, is void in terms of section 45 of the South African Companies Act, (b) both the SIHPL board's resolution authorising the conclusion of the guarantee, and the SIHPL board's resolution authorising the conclusion of the SIHPL CPU, are void, and (c) the SIHPL CPU is void, and (2) interdicting SIHPL from making any payments in terms of the guarantee, the SIHPL CPU and / or a compromise in terms of section 155 of the South African Companies Act and from providing any security in terms thereof.

SIHPL intends to oppose this application. No further papers have been filed. Trevo seeks a hearing date of 16 March 2021 for the hearing of its declaratory application / interdict, but this date has not yet been confirmed by the Court. SIHPL strongly disputes the legal merits of the pending applications brought by Trevo, and will oppose those applications and the Trevo intervention application on that basis. Proceedings are ongoing.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

B) Other Non-Qualifying Claims not included in Litigation Settlement Proposal

Non-qualifying claims

No specific proposal is being made for the settlement of non-qualifying claims. Such claims will subsist and the Company or Steinhoff N.V. will continue to defend them on the basis that any liability in respect of the same is denied. A non-qualifying claim against the Company that ultimately succeeds will be entitled to settlement consideration at the same rate as MPC and contractual claims against the Company. A non-qualifying claim against SIHPL that ultimately succeeds will be entitled to payment in full.

Following implementation of the settlement, any disputed claims will be subject to the ordinary course litigation process or the dispute resolution process set out by the Steinhoff N.V. Group in the settlement documentation, unless an alternative dispute resolution process is agreed by the Steinhoff N.V. Group and such disputed claimant.

Details of the Non-Qualifying Claims are set out below:

Michael John Morris v SIHPL

- On 6 December 2019, Michael John Morris initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R69.4 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Various pleadings have been exchanged including an exception and amendments to the plaintiff's particulars of claim. Limited procedural steps have been taken by the plaintiff to advance this matter. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Paul Ronald Potter v SIHPL

- On 6 December 2019, Paul Ronald Potter initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R69.4 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Limited procedural steps have been taken by the plaintiff to advance this matter. Various pleadings have been exchanged including an exception and amendments to the plaintiff's particulars of claim. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Peter Andrew Berry v SIHPL

- On 15 June 2020, Peter Andrew Berry initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R92.3 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Limited procedural steps have been taken by the plaintiff to advance this matter. Various pleadings have been exchanged including an exception raised by SIHPL to the plaintiff's particulars of claim. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Andre Frederick Botha v SIHPL

- On 15 June 2020, Andre Frederick Botha initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R13.2 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Limited procedural steps have been taken by the plaintiff to advance this matter. Various pleadings have been exchanged including an exception raised by SIHPL to the plaintiff's particulars of claim. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Francois Johan Malan v SIHPL

- On 15 June 2020, Francois Johan Malan initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R13.2 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Limited procedural steps have been taken by the plaintiff to advance this matter. Various pleadings have been exchanged including an exception raised by SIHPL to the plaintiff's particulars of claim. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

22. Commitments and contingencies (continued)

B) Other Non-Qualifying Claims not included in Litigation Settlement Proposal (continued)

Warren Wendell Steyn v SIHPL

- On 15 June 2020, Warren Wendell Steyn initiated action proceedings in the Western Cape High Court, claiming damages in the amount of R13.2 million plus costs and interest allegedly arising as a result of bonus arrangements forewent on the basis of misrepresentations in SIHPL's annual financial statements. Limited procedural steps have been taken by the plaintiff to advance this matter. Various pleadings have been exchanged including an exception raised by SIHPL to the plaintiff's particulars of claim. The matter is still at an early stage and not trial date has been allocated. Management are of the view that the claim holds no merit.

Competition Commission v SIHPL and Others

- This matter involves two referrals issued by the Competition Commission during 2019: Under the first referral, the Commission has charged a previous subsidiary of Steinhoff International Holdings Proprietary Limited ("SIHPL"), namely KAP Diversified Industrial Proprietary Limited ("KAP") of having colluded during the period 2009 to 2014 with its sole local competitor, namely Sonae Arauco South Africa Proprietary Limited ("Sonae") in that they allegedly fixed prices of certain timber products which they both manufactured and sold to merchants.
- In the second (related) referral, the Commission has charged SIHPL itself with having committed the same offence during that period. The Commission contends that the actual perpetration of the transgressions occurred between representatives of the sale staff of a subsidiary of KAP and their colleagues employed by Sonae. It is not alleged that any SIHPL employee participated in the alleged price fixing or that SIHPL knew or ought to have known that the transgressions were being perpetrated.
- The Commission seeks a conviction against SIHPL exclusively on a contention that by virtue of its shareholding in the KAP Group it controlled the business and affairs of KAP and its subsidiaries.
- Werksmans attorneys has been appointed to represent SIHPL in these proceedings. SIHPL has initiated a review application with the aim of setting aside the Commission's decision to refer the complaint against SIHPL to the Tribunal.

Shareholder claims

- In August 2018, Ms Dorethea de Bruyn ("De Bruyn") applied for the certification of a class action against SIHPL, Steinhoff N.V. and Steinhoff Secretarial Services Proprietary Limited. De Bruyn seeks, inter alia, leave to act as the representative plaintiff of the members of three proposed classes. The proposed class action alleges that certain alleged accounting irregularities and other financial transactions related to the Group caused investors significant financial losses. If certified, De Bruyn seeks an order to claim damages. On 26 June 2020, De Bruyn's application for certification was dismissed by the Johannesburg High Court. De Bruyn was ordered to pay the costs of the respondents who had opposed the application, including the costs of two counsel, where two counsel were employed.

There are various other claims by Steinhoff N.V. and SIHPL shareholders the quantum of which are not material.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

	2020 R '000	2019 R '000
--	----------------	----------------

23. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note(s)		
Equity investments at fair value through other comprehensive income	4		
Listed shares - Steinhoff N.V.		655	843
Total		655	843

The fair value calculation of the financial assets and liabilities was performed at the reporting date.

There were no level 2 or level 3 financial assets or financial liabilities at 30 September 2020 and 30 September 2019. There were no transfers between categories during the year.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

24. Going concern

In determining the appropriate basis of preparation, the board is required to consider whether the Company can continue in operational existence for the foreseeable future.

However, the board draws shareholders' attention to the following material uncertainties that are key in arriving at the forecasted cash flows, namely:

Litigation and Regulation

Various entities within the group of which Steinhoff International Holdings N.V. ("Steinhoff N.V.") is the ultimate holding company (collectively "the Steinhoff N.V. Group"), are subject to multiple legal claims and regulatory investigations. Steinhoff N.V. and Steinhoff International Holdings Proprietary Limited ("SIHPL") have received several shareholder and vendor claims and notices of regulatory investigation. These legal proceedings and regulatory investigations have been initiated subsequent to the December 2017 events. The board of directors, assisted by the litigation working group of Steinhoff N.V. ("Litigation Working Group"), and in consultation with the Steinhoff N.V. Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the relevant regulatory bodies. Several initial defences have already been filed by the Steinhoff N.V. Group, in these legal proceedings.

On 27 July 2020, Steinhoff N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017 ("Litigation Settlement Proposal").

The Company's cash flow forecasts are adjusted for the impact of the Litigation Settlement Proposal as announced on 27 July 2020 by Steinhoff N.V. and detailed in note 22 of these Annual Financial Statements.

Steinhoff N.V. announced on 15 February 2021 that it was beginning the implementation of its global Litigation Settlement Proposal and had resolved to commence a Dutch Suspension of Payments procedure (*surseance van betaling*) ("Dutch SoP") in the Netherlands, which the Court approved, to implement its proposal to settle certain multijurisdictional legacy litigation and various claims against the Steinhoff Group including those against the former Steinhoff Group South African holding company, SIHPL. In parallel, the board of SIHPL has resolved to commence a statutory compromise process under South African law ("S155 Scheme") also as part of the implementation of the Steinhoff Group's global Litigation Settlement Proposal. Both the S155 scheme and the Dutch SoP are ongoing and shall be implemented in accordance with our public announcements and timelines available on the Steinhoff Settlement website.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

24. Going concern (continued)

Conclusion

The board draws attention to the following facts:

- at 30 September 2020, the Company's current assets are equal to its current liabilities, which includes the provision for the Litigation Settlement Proposal;
- at 30 September 2020, the Company's non-current liabilities exceeds its non-current assets pre-dominantly due to the inclusion of the SIHPL CPU and the provision for the Litigation Settlement Proposal. The amount the Company will be able to pay under the SIHPL CPU is limited to the net asset value before inclusion of the CPU financial liability. Refer to note 8;
- that it is more likely than not that the global Litigation Settlement Proposal will be successful and for this reason the Litigation Settlement Proposal provision of R10.5 billion has been raised in the results of the Company, representing management's best estimate of the outflow of resources required to settle the legal claims of all market purchase claimants and contractual claims included the Litigation Settlement Proposal. For further detail of these claims, refer to note 22 Commitments and contingencies;
- as part of the Litigation Settlement Proposal, the SIHPL CPU creditors were asked to extend the payment date under the SIHPL CPU. In exchange for this extension, SIHPL will grant third-ranking security over all of its assets (which are primarily inter-company receivables in South Africa);
- management does not intend to liquidate the entity and plans to recover its assets and settle its debt in the normal course of business. As previously announced, for the implementation of the Litigation Settlement Proposal the Company intends to enter into a proposed pre-prepared compromise plan pursuant to section 155 of the Companies Act in South Africa.
- the amount that the Company will have available to repay, is dependent on Steinhoff Investment Holdings Limited ("SINVH") and Steinhoff Africa Holdings Proprietary Limited ("Steinhoff Africa") repaying intercompany loans to the Company. In terms of a sum-of-the parts calculation performed on the SINVH Group, the Steinhoff Africa and SINVH loans are recoverable;
- as at the effective date of signature of these financial statements, there are significant uncertainties which extend beyond the foreseeable future; and
- given due cognisance of the Company's current financial position and the implementation steps of the Litigation Settlement Proposal as mentioned above, we are of the opinion that the Company will be able to meet its current liabilities as they become due and therefore is a going concern for the 12 month period following the date of issue of this Annual Financial Statements.

25. Events after the reporting period

COVID-19

The global COVID-19 picture remains a dynamic situation. Subsequent to the 2020 Reporting Period, new strains of the COVID-19 virus have resulted in Governments once again having to take strict measures. Many countries have tightened restrictions or reimposed lock downs which impacted on store operations and trading hours, increasing uncertainty. Despite this, the overall Steinhoff Group's trading has remained robust with healthy liquidity at operating level. While the Steinhoff Group has continued to demonstrate its resilience, management remain cautious about the trading outlook until such time as the pandemic has been brought under control.

Expected credit loss assessment

The impact on the calculation of the lifetime expected credit losses determined as part of the general approach, related party loans receivable was considered. In particular, the Company assessed which of its debtors, if any, have pre-existing conditions which would impair their ability to honour their loan commitments. In performing this exercise, the company used evidence gathered between the reporting date and the date on which the financial statements were authorised for issue. The fair value of the underlying investments of the SINVH Group have not decreased significantly and is still sufficient to cover all the liabilities. Based on the evidence obtained, it remains unlikely that any increase in the lifetime expected credit losses will be material.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

25. Events after the reporting period (continued)

English Law Scheme of Arrangement and election of Dutch SoP by Steinhoff N.V.

On 27 November 2020 the Group announced that it had obtained an order from the English High Court to convene meetings of the Facility A1 SEAG creditors and the Facility A2 SEAG creditors to consider and approve the proposed English law scheme of arrangement. Meeting of each class of creditor were held on 15 December 2020.

The Group announced on 15 December 2020 that the resolutions put to the relevant classes of financial creditors were approved by the requisite majorities of Facility A1 SEAG creditors and the Facility A2 SEAG creditors present and voting.

On 5 February 2021 the English High Court delivered a judgment in the SEAG CPU scheme of arrangement proceedings, granting the sanction order in the terms sought by the Company.

The English law scheme of arrangement in relation to the Company's SEAG CPU became effective on the same date and provided a further approval required from the Company's financial creditors to proceed with the proposed global settlement.

The board of Steinhoff N.V. have concluded that Steinhoff N.V. will seek a Dutch SoP to assist with the implementation of the Group's Litigation Settlement Proposal. It also opposed the application due to be heard in the Amsterdam District Court on 8 February 2021 for the appointment of a restructuring expert under the Dutch Wet Homologatie Onderhands Akkoord ter voorkoming van faillissement procedure. Conservatorium and Steinhoff N.V. have requested that the Court defer the hearing to 15 February 2021.

On 15 February 2021, following a number of constructive engagements between the parties an agreement has been reached, in principle, between, among others, Steinhoff N.V., SIHPL, Conservatorium and certain entities linked to Christo Wiese. This agreement is subject to a number of conditions. The result of agreement reached among the parties is that Conservatorium withdrew the application.

On 15 February 2021, the Group announced that the Amsterdam District Court approved the Company's application for the opening of a Dutch SoP in respect of Steinhoff N.V. The court has set the following key dates in respect of the Dutch SoP:

- 15 June 2021: voting record date; and
- 30 June 2021 at 10am (CET): creditor's meeting.

Following the opening of the Dutch SoP, SIHPL launched a S155 Scheme, on 15 February 2021, also as part of the implementation of the Steinhoff Group global settlement.

The Dutch SoP relates only to Steinhoff N.V. and the S155 Scheme relates only to SIHPL. These processes, which are inter-conditional, do not directly affect any of the other entities in the Steinhoff Group nor any of its operating businesses.

The purpose of the Dutch SoP process and the S155 Scheme is to implement the proposal to settle certain multi-jurisdictional legacy litigation and various claims against Steinhoff N.V. and SIHPL.

Implementation of the Steinhoff global settlement will require the requisite support of claimants and approvals by the Dutch and South African courts, and the process of obtaining such approvals is expected to take several months.

For further information refer to www.steinhoffsettlement.com.

Steinhoff International Holdings Proprietary Limited

(Registration number 1998/003951/07)

Annual Financial Statements for the year ended 30 September 2020

Notes to the Financial Statements

25. Events after the reporting period (continued)

Legal claims received after year-end considered to be adjusting events (refer to note 22):

- Mantessa Equities Proprietary Limited v SIHPL
- Mayfair Speculators Proprietary Limited v Steinhoff N.V., SIHPL and Jooste
- Lancaster 101 (RF) Proprietary Limited ("Lancaster 101") vs SIHPL, Steinhoff N.V. and South African Reserve Bank ("SARB"):

On 15 March 2021, Lancaster 101 served new motion proceedings in South Africa initiated against SIHPL, Steinhoff N.V. and the SARB. The motion serves to set aside the following SARB Decisions:

1. The SARB approval relating to the convertible bonds issued in 2014 ("Decision 1");
2. The SARB approval relating to the FSE listing ("Decision 2");
3. The SARB approval relating to the convertible bonds issued in 2015 ("Decision 3"); and
4. The SARB approval relating to Project Universe given in 2020 ("Decision 4"), collectively the "SARB Decisions".

It is alleged that in considering any applications made in respect of Decisions 1 to 3, SARB must have done so (i) taking account of the incorrect financial position of Steinhoff N.V. and the Steinhoff Group; and (ii) without consideration of the actual financial position of Steinhoff N.V. and the Steinhoff Group.

Deloitte supports Steinhoff's Global Settlement

On 15 February 2021, Steinhoff N.V. also announced that together with SIHPL it has reached an agreement with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together: "Deloitte") pursuant to which Deloitte will support the proposed Group Litigation Settlement Proposal announced on 27 July 2020. This means that Deloitte will make additional compensation available to certain Group claimants, including the MPC Claimants in exchange for certain waivers and releases, provided that Steinhoff successfully completes the contemplated Dutch SoP and the statutory compromise process under South African law S155 Scheme. Deloitte is still in discussions with certain representatives of the MPC Claimants on the details of this offer, which envisages that such claimant representatives will be entitled to receive a certain incremental cost compensation. A settlement between Deloitte and the Dutch VEB was previously announced in October 2020.

Deloitte does not in any way admit liability for the losses incurred by Steinhoff and its stakeholders as a result of the accounting irregularities at Steinhoff.

Provided that the Group successfully completes the contemplated Dutch SoP and the S155 Scheme and certain other conditions are fulfilled, Deloitte has agreed to offer an amount of up to €55.34 million for distribution to MPC Claimants in exchange for certain waivers and releases (the "Deloitte MPC Settlement Fund"). In addition to the offer to the MPC Claimants above, provided that the Group successfully completes the Dutch SoP and the South African S155 Scheme and certain other conditions are met, Deloitte has further agreed to offer an amount of €15 million for distribution to certain contractual claimants. Eligible contractual claimants will receive individual notice from Steinhoff on the manner in which they can apply to receive a share of the offered amount.

In addition to the offer to the MPC Claimants above, provided that the Group successfully completes the Dutch SoP and the South African S155 Scheme and certain other conditions are met, Deloitte has further agreed to offer an amount of €15 million for distribution to certain contractual claimants. Eligible contractual claimants will receive individual notice from Steinhoff on the manner in which they can apply to receive a share of the offered amount.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Schedule 4
Revised Annexure D

Annexure D - Universal
Part I - Estimated Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 43 194	35%	[A.1]
Other Contractual Claims ^[2]	ZAR 5 766	5%	[A.2]
NQC Claims ^[3]	ZAR 3 926	3%	[A.3]
SIHPL Market Purchase Claims	ZAR 43 322	35%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[4]	ZAR 96 209	78%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[5]	ZAR 27 020	22%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[6]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 29 061		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 9 272		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 1 238		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 843		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 9 300		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[8]	ZAR 20 653		$[D] \times \text{PV Discount}^{[7]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 8 162		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[8]	ZAR 5 800		$[F] \times \text{PV Discount}^{[7]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	21,5		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL at their estimated value unless no estimate is available in which case the asserted values are used.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued using the rescission and damages approaches.
- [3] Non-Qualifying Claims (NQC) include the Morris et al. and the Trevo claims. The Morris et al. NQC is valued as plead while the Trevo NQC is valued using the damages approach.
- [4] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [5] This amount reflects the 21/22s guarantee.
- [6] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [7] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [8] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Universal
Part I - Plead Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 51 129	38%	[A.1]
Other Contractual Claims ^[2]	ZAR 11 632	9%	[A.2]
NQC Claims ^[3]	ZAR 3 255	2%	[A.3]
SIHPL Market Purchase Claims	ZAR 41 934	31%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[4]	ZAR 107 950	80%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[5]	ZAR 27 020	20%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[6]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 29 771		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 10 021		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 2 280		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 638		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 8 219		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[8]	ZAR 21 158		$[D] \times \text{PV Discount}^{[7]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 7 452		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[8]	ZAR 5 296		$[F] \times \text{PV Discount}^{[7]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	19,6		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL as claimed unless no value was asserted in which case estimated claim values are used. All claim values related to Market Purchase Claims are considered at their estimated value.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued as plead.
- [3] Non-Qualifying Claims (NQC) include the Morris et al. and the Trevo claims. NQC's are valued as plead.
- [4] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [5] This amount reflects the 21/22s guarantee.
- [6] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [7] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [8] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Limited
Part II - Estimated Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 43 194	57%	[A.1]
Other Contractual Claims ^[2]	ZAR 5 201	7%	[A.2]
NQC Claims	ZAR 0	0%	[A.3]
SIHPL Market Purchase Claims	ZAR 0	0%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[3]	ZAR 48 395	64%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[4]	ZAR 27 020	36%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[5]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 23 886		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 15 151		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 1 824		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 0		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 0		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[7]	ZAR 16 976		$[D] \times \text{PV Discount}^{[6]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 13 336		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[7]	ZAR 9 478		$[F] \times \text{PV Discount}^{[6]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	35,1		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL at their estimated value unless no estimate is available in which case the asserted values are used. All Market Purchase Claims and Non-Qualifying Claims are excluded from consideration.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued using the rescission and damages approaches.
- [3] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [4] This amount reflects the 21/22s guarantee.
- [5] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [6] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [7] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Limited
Part II - Plead Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 51 129	61%	[A.1]
Other Contractual Claims ^[2]	ZAR 6 189	7%	[A.2]
NQC Claims	ZAR 0	0%	[A.3]
SIHPL Market Purchase Claims	ZAR 0	0%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[3]	ZAR 57 319	68%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[4]	ZAR 27 020	32%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[5]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 25 297		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 16 037		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 1 941		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 0		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 0		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[7]	ZAR 17 978		$[D] \times \text{PV Discount}^{[6]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 11 925		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[7]	ZAR 8 475		$[F] \times \text{PV Discount}^{[6]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	31,4		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL as claimed unless no value was asserted in which case estimated claim values are used. All Market Purchase Claims and Non-Qualifying Claims are excluded from consideration.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued as plead.
- [3] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [4] This amount reflects the 21/22s guarantee.
- [5] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [6] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [7] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Universal, Alternate
Part I - Estimated Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 43 194	46%	[A.1]
Other Contractual Claims ^[2]	ZAR 5 766	6%	[A.2]
NQC Claims ^[3]	ZAR 3 926	4%	[A.3]
SIHPL Market Purchase Claims	ZAR 41 934	44%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[4]	ZAR 94 821	100%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[5]	ZAR 0	0%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[6]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 37 223		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 12 050		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 1 609		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 1,095		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 11 699		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[8]	ZAR 26 453		$[D] \times \text{PV Discount}^{[7]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 0		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[8]	ZAR 0		$[F] \times \text{PV Discount}^{[7]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	27,9		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL at their estimated value unless no estimate is available in which case the asserted values are used.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued using the rescission and damages approaches.
- [3] Non-Qualifying Claims (NQC) include the Morris et al. and the Trevo claims. The Morris et al. NQC is valued as plead while the Trevo NQC is valued using the damages approach.
- [4] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [5] This amount reflects the 21/22s guarantee.
- [6] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [7] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [8] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Universal, Alternate
Part I - Plead Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 51 129	47%	[A.1]
Other Contractual Claims ^[2]	ZAR 11 632	11%	[A.2]
NQC Claims ^[3]	ZAR 3 255	3%	[A.3]
SIHPL Market Purchase Claims	ZAR 41 934	39%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[4]	ZAR 107 950	100%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[5]	ZAR 0	0%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[6]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 37 223		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 12 529		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 2 850		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 798		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 10 276		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[8]	ZAR 26 453		$[D] \times \text{PV Discount}^{[7]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 0		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[8]	ZAR 0		$[F] \times \text{PV Discount}^{[7]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	24,5		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL as claimed unless no value was asserted in which case estimated claim values are used. All claim values related to Market Purchase Claims are considered at their estimated value.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued as plead.
- [3] Non-Qualifying Claims (NQC) include the Morris et al. and the Trevo claims. NQC's are valued as plead.
- [4] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [5] This amount reflects the 21/22s guarantee.
- [6] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [7] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [8] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Limited, Alternate
Part II - Estimated Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 43 194	89%	[A.1]
Other Contractual Claims ^[2]	ZAR 5 201	11%	[A.2]
NQC Claims	ZAR 0	0%	[A.3]
SIHPL Market Purchase Claims	ZAR 0	0%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[3]	ZAR 48 395	100%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[4]	ZAR 0	0%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[5]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 37 223		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 23 611		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 2 843		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 0		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 0		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[7]	ZAR 26 453		$[D] \times \text{PV Discount}^{[6]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 0		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[7]	ZAR 0		$[F] \times \text{PV Discount}^{[6]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	54,7		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL at their estimated value unless no estimate is available in which case the asserted values are used. All Market Purchase Claims and Non-Qualifying Claims are excluded from consideration.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued using the rescission and damages approaches.
- [3] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [4] This amount reflects the 21/22s guarantee.
- [5] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [6] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [7] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Annexure D - Limited, Alternate
Part II - Plead Claims
Summary of Recoveries to Creditors in a Liquidation Scenario
Figures in Rand, Millions Unless Otherwise Stated

Claims at SIHPL			
Thibault and Wiesfam Contractual Claims	ZAR 51 129	89%	[A.1]
Other Contractual Claims ^[2]	ZAR 6 189	11%	[A.2]
NQC Claims	ZAR 0	0%	[A.3]
SIHPL Market Purchase Claims	ZAR 0	0%	[A.4]
SIHPL Litigant Claims (31 August 2021) ^[3]	ZAR 57 319	100%	[A.1] + [A.2] + [A.3] + [A.4] = [A]
21/22 Creditor Claims at SIHPL level ^[4]	ZAR 0	0%	[B]
Recoveries at SIHPL			
Mean expected liquidation proceeds available to SIHPL Liabilities ^[5]	ZAR 37 223		[C]
SIHPL Litigant Claims' recovery in August 2028	ZAR 37 223		$[C] \times [A] / ([A] + [B]) = [D]$
PV of Thibault and Wiesfam recovery	ZAR 23 597		$[E] \times ([A.1] / [A]) = [E.1]$
PV of Other Contractual recovery	ZAR 2 856		$[E] \times ([A.2] / [A]) = [E.2]$
PV of NQC Claims' recovery	ZAR 0		$[E] \times ([A.3] / [A]) = [E.3]$
PV of SIHPL Market Purchase Claims' recovery	ZAR 0		$[E] \times ([A.4] / [A]) = [E.4]$
PV of SIHPL Litigant Claims' recovery ^[7]	ZAR 26 453		$[D] \times \text{PV Discount}^{[6]} = [E]$
21/22 Creditors' recovery in August 2028	ZAR 0		$[C] \times [B] / ([A] + [B]) = [F]$
PV of 21/22 Creditors' recovery ^[7]	ZAR 0		$[F] \times \text{PV Discount}^{[6]} = [G]$
PV of SIHPL Claimants' recovery in c/ZAR of claims	46,2		$([E] + [G]) / ([A] + [B]) = [H]$

Notes:

- [1] This liquidation scenario considers all claims against SIHPL as claimed unless no value was asserted in which case estimated claim values are used. All Market Purchase Claims and Non-Qualifying Claims are excluded from consideration.
- [2] Other Contractual Claims include those of BVI, Cronje et al., Greyling, GT Ferreira, Le Toit, and Mayfair Speculators. Claims are valued as plead.
- [3] Estimated SIHPL Litigant Claims are grown at 10,25% simple interest per year between 5 December 2017 and 1 September 2019, at 10,00% simple interest per year between 1 September 2019 and 1 March 2020, at 9,75% simple interest per year between 1 March 2020 and 1 May 2020, at 8,75% simple interest per year between 1 May 2020 and 1 June 2020, at 7,75% simple interest per year between 1 June 2020 and 1 July 2020, at 7,25% simple interest per year between 1 July 2020 and 1 September 2020, and at 7,00% simple interest per year between 1 September 2020 and 31 August 2021.
- [4] This amount reflects the 21/22s guarantee.
- [5] Assets at SIHPL are made up of, inter alia, cash and the proceeds of two non-interest bearing loans paid by SAHPL and SIHL. The loan from SAHPL will be paid in full as of 31 August 2021 and is assumed to grow at the Rand risk-free rate of 5,0% until 31 August 2028. The loan from SIHL is repaid in full on 31 August 2024, and is assumed to grow at the Rand risk-free rate of 5,0% between 31 August 2024 and 31 August 2028. In addition, other assets include the proceeds of the Newco 1 loan, estimated to recover at R 7 779 million on the R 51 584 million balance as of August 2026 (a 15% recovery). The estimated liquidation proceeds are the value of these assets, net of an estimated R 2 011 million of fees, including estimated legal fees of R 225 million and bond of security premiums of R 1 786 million for the period from August 2021 to August 2028.
- [6] The present value recoveries assume that payouts to SIHPL claims will take place seven years after the start of liquidation (31 August 2021), and are calculated using a discount rate of 5,0% based on the Rand risk-free rate.
- [7] All SIHPL liabilities are assumed to be pari passu, and SIHPL recoveries are distributed proportionally based on the face value plus accrued interest of the liabilities as of 31 August 2021.

Schedule 5
Revised Annexure E



Steinhoff International Holdings Proprietary Limited

S155 PROJECTED FINANCIAL STATEMENTS for the 4 years ending 30 September 2024

Prepared and issued on: 10 August 2021

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
S155 PROJECTED FINANCIAL STATEMENTS

CONTENTS

Page

1. S155 PROJECTED FINANCIAL STATEMENTS

Significant assumptions	1 - 2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4 - 6
Statement of Cash Flows	7

GLOSSARY

SIHPL	Steinhoff International Holdings Proprietary Limited
SIST	Steinhoff International Share Trust
SAHPL	Steinhoff Africa Holdings Proprietary Limited
SIH	Steinhoff Investment Holdings Limited
Steinhoff N.V.	Steinhoff International Holdings N.V.
SFH	Steinhoff Finance Holdings GmbH
PPH	Pepkor Holdings Limited
Titan	Titan Premier Investment Proprietary Limited
Newco 2A	Steenbok Newco 2A Limited

EXCHANGE RATES USED

	Average annual rate	Spot rate
30 September 2020	18,1836	19,7092
30 September 2021	17,3900	17,3900
30 September 2022	17,8400	17,8400
30 September 2023	18,3000	18,3000
31 December 2023	18,3000	18,3000

1. Litigation settlement proposal

On 27 July 2020, Steinhoff International Holdings N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the majority of the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017. A provision of R10.5 billion was raised as at 30 September 2020 for a proposed litigation settlement proposal. An update to a litigation settlement proposal was issued on 9 October 2020, 6 November 2020, 14 January 2021, 16 July 2021 and August 2021, respectively. On 15 February 2021 the Group initiated the legal processes required to implement a litigation settlement proposal.

As announced on 16 July 2021, Steinhoff N.V. and SIHPL have concluded that they will increase the settlement offer by an additional €243 million, to be contributed by Steinhoff N.V. and allocated proportionately among Steinhoff N.V. claimants (both Steinhoff N.V. Market Purchase Claimants and Steinhoff N.V. Contractual Claimants) and SIHPL Market Purchase Claimants, on top of which a separate €26 million pro rata increase will be paid to Hemisphere CPU creditors.

The settlement amount will be funded via the repayment of intercompany loans receivable from SAHPL and SIH. The loan receivables from SAHPL and SIH are unsecured and are repayable on demand. The SAHPL loan proceeds earned interest at 4% from 1 October 2020, monthly compounded. Changes to terms of the SIH intercompany loan, including charging interest thereon, is subject to lender consent. SAHPL has an obligation to pay the Conservatorium settlement on behalf of SIHPL.

As announced, Steinhoff N.V. will retain the option set out in the original settlement proposal in respect of any claims to pay 50% of the settlement consideration in PPH Shares (at R15 per share) or, at its option, in a greater proportion or in the full amount of any claim, in cash, except for BVI, Cronje and other, which will be paid entirely in the form of PPH Shares at an agreed settlement price of ZAR13.00/ZAR13.50 per share respectively. For purposes of the projected financial statements, it has been assumed that the settlement effective date is 30 September 2021.

The costs pertaining to key indemnity obligations, assumed by SIHPL and Steinhoff N.V., pursuant to the Steinhoff Settlement Support Agreement ("SSSA"), as contained in the Amended s155 Proposal, have not been budgeted for in the forecast period, as the outcome is based on uncertain future events and cannot be measured reliably.

2. Steenbok Newco 2A Limited loan receivable

SIHPL has an euro denominated loan receivable from Steenbok Newco 2A Limited to the amount of €205 million (capital only) and accrues interest at 10% per annum. With the implementation of the CVA during August 2019, the loan receivable from Newco 2A was deemed to be 100% credit impaired at initial recognition. As a result, the loan was recognised at its fair value of nil. Subsequent to the F20 Reporting Period, a portion of the loan receivable is deemed recoverable and a 15% impairment reversal has been processed during June 2021.

It is assumed that the Newco 2A loan receivable will be recovered in December 2023, when the CVA debt becomes due.

3. Acquisition of Titan loan receivable by SIHPL

Subsequent to the aborted Shoprite transaction following the events of December 2017, a settlement was concluded in early 2018, pursuant to which Titan owed SFH an amount of €200 million plus interest ("Titan Loan"). In accordance with the 2019 financial restructuring arrangements, the Titan Loan was transferred from SFH to Newco 2A.

Conditional upon and subject to the occurrence of the Settlement Effective Date, SIHPL will acquire the Titan Loan from Newco 2A for an amount to be determined subject to an agreed mechanism linked to the prevailing EUR-ZAR exchange rate upon Settlement Effective Date. Payment of the consideration will be deferred resulting in an amount owed by SIHPL to Newco 2A ("Newco 2A Loan Note"), including the following terms:

- zero coupon;
- repayment date as defined in the Titan Payment Agreement (being the written payment agreement concluded between Titan, SIHPL and Thibault Square Financial Services (Pty) Ltd on or around 24 March 2021, which agreement sets out the terms and conditions on which the "Principal Amount" (as defined therein) is to be paid to SIHPL);
- quarterly cash sweep at SIHPL and across the South African sub-group;
- first ranking security over SIHPL's assets, subject to arrangements in respect of Non-Qualifying Claims finally determined or agreed by SIHPL; and
- limited recourse to the available assets of SIHPL and a solvent winding up of SIHPL

Immediately prior to, or immediately following, the purchase of the Titan Loan by SIHPL, the Titan Loan was amended to include the following abbreviate terms:

- R3.4 billion principal outstanding;
- coupon payable of 5.04% PIK per annum
- repayment date of 5 years plus one day from the Settlement Effective Date and voluntarily repayable without penalty at any time; and
- secured in favour of SIHPL on terms satisfactory to SIHPL.

For purposes of the projected financial statements, it has been assumed that the settlement will occur in September 2021 and therefore the loans have been recognised as at 30 September 2021.

4. Steinhoff N.V. loan note

In consideration of the settlement by Steinhoff N.V. of SIHPL market purchase claims, SIHPL will issue a loan Note to Steinhoff N.V. ("Steinhoff N.V. Loan Note") of not more than €164 million, including the following terms:

- zero coupon;
- repayment date as defined in the Titan Payment Agreement (being the written payment agreement concluded between Titan, SIHPL and Thibault Square

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
S155 PROJECTED FINANCIAL STATEMENTS
SIGNIFICANT ASSUMPTIONS MADE IN PREPARATION OF THESE PROJECTED FINANCIAL STATEMENTS

Financial Services (Pty) Ltd on or around 24 March 2021, which agreement sets out the terms and conditions on which the "Principal Amount" (as defined therein) is to be paid to SIHPL);

- quarterly cash sweep at SIHPL and across the South African sub-group;
- second ranking security over SIHPL assets, subject to arrangements in respect of Non-Qualifying Claims finally determined or agreed by SIHPL; and
- limited recourse to the available assets of SIHPL.

For purposes of the projected financial statements, it has been assumed that the settlement will occur in September 2021 and therefore the Steinhoff N.V. loan note has been recognised as at 30 September 2021.

5. Advisory fees

Annual advisor fees of R136 million has been budgeted for September 2021 (YTD June 2021 actuals included), R22 million for the year ending 30 September 2022 with an annual 6.9% increase for the following two years.

6. SIHPL CPU

Due to the Section 45 ruling handed down on 2 July 2021, the conclusion of the Judgment was that the SIHPL CPU constituted unlawful financial assistance. Based on legal advice that financial creditors will more likely than not, in the absence of the CPU, still have a claim against SIHPL. In terms of IFRS, an entity must recognise a provision if a present obligation has arisen as a result of a past event, payment is more likely than not and the amount can be estimated reliably. Based on these requirements, management has deemed it appropriate to recognise a current liability of €1.581 billion for the possible claim by the 21/22 facility lenders, for an amount equal to the CPU liability. The impact on the accounting treatment remains uncertain. For the interim period, the SIHPL CPU has been de-recognised and a provision (claim from 21/22 Financial Creditors) on an equal basis has been raised. Therefore, no debt extension has been applied and reflected as current liabilities for the forecast period.

7. Margin lenders non-qualifying claims settlement

As announced, Steinhoff N.V. will retain the option set out in the original settlement proposal in respect of any claims to pay 50% of the settlement consideration in PPH Shares (at R15 per share) or, at its option, in a greater proportion or in the full amount of any claim, in cash. For purposes of the projected financial statements, it has been assumed that the settlement effective date is 30 September 2021.

8. Repayment of debt

It is assumed that the SIH loan receivable will be repaid in two equal payments over the next 2 years (F22 & F23); the excess cash, after the repayment of operating costs and taxes, has been applied to the debt instruments in the following order:

- Steinhoff N.V. loan note;
- Newco 2A loan note;
- 21/22 Financial Creditor Claims.

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4 YEARS ENDING 30 SEPTEMBER 2024

	Notes	12 Months ended	12 Months ended	12 Months ended	12 Months ended	12 Months ended
		30 September	30 September	30 September	30 September	30 September
		2024	2023	2022	2021	2020
Projected Management Statements					Actual	
		R'000	R'000	R'000	R'000	R'000
Interest income	1.	194 369	184 022	176 775	273 524	4 660
Other income	2.	-	-	-	21 073	16 602
Net foreign exchange gain/(loss) on financial instruments	3.	-	(727 398)	(817 097)	3 667 618	(4 983 477)
Litigation Settlement Proposal		-	-	-	(3 763 614)	(10 487 980)
Recognition of Steinhoff N.V. loan note		-	-	-	(3 261 960)	-
Loss on acquisition of Titan loan		-	-	-	(677 450)	-
Impairment reversal - Steenbok Newco 2A	Assumption 2	-	-	-	2 765 715	-
Administrative expenses	4.	(33 736)	(34 675)	(32 240)	(146 682)	(135 793)
Operating (loss)/profit for the period before finance cost and tax		160 633	(578 051)	(672 562)	(1 121 776)	(15 585 988)
Finance costs		-	-	-	-	-
Operating (loss)/profit for the period before tax		160 633	(578 051)	(672 562)	(1 121 776)	(15 585 988)
Taxation		(54 423)	(51 526)	(49 497)	(76 585)	921
(Loss)/profit for the period		106 210	(629 577)	(722 059)	(1 198 361)	(15 585 067)
Other comprehensive income/(loss)		-	-	-	-	-
Total comprehensive income/(loss) for the year		106 210	(629 577)	(722 059)	(1 198 361)	(15 585 067)

NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	12 Months ended				
		30 September				
		2024	2023	2022	2021	2020
Projected Management Statements					Actual	
		R'000	R'000	R'000	R'000	R'000

1. Interest income

Interest on bank accounts	6 813	5 465	5 415	273 524	4 055
South African Revenue Services	-	-	-	-	605
Titan Premier Investment Proprietary Limited	187 556	178 557	171 360	-	-
Steenbok Newco 2A Limited	1 589 565	1 820 042	1 820 042	2 121 036	1 951 644
Steenbok Newco 2A Limited - Interest reversal	(1 589 565)	(1 820 042)	(1 820 042)	(2 121 036)	(1 951 644)
	194 369	184 022	176 775	273 524	4 660

2. Other income

Recovery of litigation costs	-	-	-	21 073	-
Loan correction	-	-	-	-	13 510
Unclaimed dividends forfeited	-	-	-	-	3 092
	-	-	-	21 073	16 602

3. Net foreign exchange gain/(loss) on financial instruments

21/22 Financial Creditors claim (previously SIHPL CPU)	-	(727 398)	(711 585)	3 667 351	(4 983 477)
Trade payables	-	-	-	267	-
Steenbok Newco 2A Limited loan note	-	-	(105 512)	-	-
	-	(727 398)	(817 097)	3 667 618	(4 983 477)

4. Administrative expenses

Company Advisory Fees	22 855	22 855	21 749	135 856	124 112
Non-Executives Fees	2 745	3 157	3 097	2 965	3 224
Audit fees	-	527	493	401	3 195
Directors and officers insurance	8 109	8 109	6 874	7 430	5 203
Other administrative expenses	27	27	27	30	59
	33 736	34 675	32 240	146 682	135 793

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Notes	30 September	30 September	30 September	30 September	30 September
		2024	2023	2022	2021	2020
		Projected Management Statements				Actual
		R'000	R'000	R'000	R'000	R'000
ASSETS						
Non-current assets						
Related party loans receivable	1.	-	-	-	-	9 122 241
Other financial assets	2.	3 937 474	3 749 917	3 571 360	3 400 000	655
		3 937 474	3 749 917	3 571 360	3 400 000	9 122 896
Current assets						
Cash and cash equivalents		92 380	173 726	144 892	142 170	84 635
Tax receivable		-	-	-	-	1 638
Related party loans receivable	1.	-	2 765 715	7 829 225	12 892 736	15 245 916
		92 380	2 939 441	7 974 117	13 034 906	15 332 189
Total assets		4 029 854	6 689 358	11 545 477	16 434 906	24 455 085
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary stated share capital		53 318 304	53 318 304	53 318 304	53 318 304	53 318 304
Fair value reserve		-	-	-	-	(1 336)
Accumulated loss		(73 068 049)	(73 174 260)	(72 544 684)	(71 822 626)	(70 622 974)
Total equity		(19 749 745)	(19 855 956)	(19 226 380)	(18 504 322)	(17 306 006)
Non-current liabilities						
Borrowings	3.	-	-	-	-	26 428 902
Related party loans payable	4.	-	-	2 460 454	7 339 410	-
		-	-	2 460 454	7 339 410	26 428 902
Current liabilities						
Trade and other payables		-	-	-	-	5 942
Related party trade payables	5.	38 171	38 171	38 171	38 171	38 171
Related party loans payable	4.	62 840	62 840	62 840	62 840	62 840
Other financial liabilities	3.	23 678 588	26 444 303	28 210 392	27 498 807	4 737 256
Litigation settlement proposal provision		-	-	-	-	10 487 980
		23 779 599	26 545 314	28 311 403	27 599 818	15 332 189
Total equity and liabilities		4 029 854	6 689 358	11 545 477	16 434 906	24 455 085

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	30 September 2024	30 September 2023	30 September 2022	30 September 2021	30 September 2020
	Projected Management Statements				Actual
	R'000	R'000	R'000	R'000	R'000
1. Related party loans receivable					
Steenbok Newco 2A Limited	15 434 701	18 200 416	18 200 416	18 200 416	21 092 479
Steenbok Newco 2A Limited - impairment	(15 434 701)	(15 434 701)	(15 434 701)	(15 434 701)	(21 092 479)
Steinhoff Africa Holdings Proprietary Limited	-	-	-	-	6 620 473
Steinhoff Investments Holdings Limited	-	-	5 063 510	10 127 021	17 747 684
Steinhoff International Share Trust	20 197	20 197	20 197	20 197	20 197
Steinhoff International Share Trust - impairment	(20 197)	(20 197)	(20 197)	(20 197)	(20 197)
	-	2 765 715	7 829 225	12 892 736	24 368 157
Non-current asset	-	-	-	-	9 122 241
Current asset	-	2 765 715	7 829 225	12 892 736	15 245 916
	-	2 765 715	7 829 225	12 892 736	24 368 157
2. Other Financial assets					
Listed Investments-Steinhoff N.V.	-	-	-	-	655
Loan - Titan Premier Investment Proprietary Limited	3 937 474	3 749 917	3 571 360	3 400 000	-
	3 937 474	3 749 917	3 571 360	3 400 000	655
Refer to significant assumption no. 3 for the Titan loan terms.					
3. Other Financial Liabilities					
SIHPL CPU	-	-	-	-	31 166 158
Initial recognition	-	-	-	-	25 986 610
Forex movement	-	-	-	-	5 179 548
21/22 Financial Creditor claim	23 678 588	26 444 303	28 210 392	27 498 807	-
Non-current liability	-	-	-	-	26 428 902
Current liability	23 678 588	26 444 303	28 210 392	27 498 807	4 737 256
	23 678 588	26 444 303	28 210 392	27 498 807	31 166 158
On 2 July 2021, the Western Cape High Court released its judgement granting an order declaring that the SIHPL CPU and SIHPL's board resolution authorising entry into the SIHPL CPU are void. Based on this court judgement, the SIHPL CPU has been derecognised.					
Based on legal advice that financial creditors will more likely than not, in the absence of the CPU, still have a claim against SIHPL. In terms of IFRS, an entity must recognise a provision if a present obligation has arisen as a result of a past event, payment is more likely than not and the amount can be estimated reliably. Based on these requirements, management has deemed it appropriate to recognise a current liability of €1.581 billion for the possible claim by the 21/22 facility lenders, for an amount equal to the CPU					
Also refer to significant assumption no. 6 and 8.					
4. Related party loans payable					
Steenbok Newco 2A Limited loan note	-	-	2 460 454	4 077 450	-
Steinhoff N.V. loan note	-	-	-	3 261 960	-
Steinhoff N.V.	62 840	62 840	62 840	62 840	62 840
	62 840	62 840	2 523 294	7 402 250	62 840
Non-current liability	-	-	2 460 454	7 339 410	-
Current liability	62 840	62 840	62 840	62 840	62 840
	62 840	62 840	2 523 294	7 402 250	62 840
Refer to significant assumption no. 2 for the Steenbok Newco 2A loan terms and significant assumption no. 4 for the Steinhoff N.V. loan note terms.					
5. Related party trade payables					
Steinhoff At Work Proprietary Limited	38 171	38 171	38 171	38 171	38 171

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

		30 September 2024	30 September 2023	30 September 2022	30 September 2021	30 September 2020
		Projected Management Statements				Actual
		R'000	R'000	R'000	R'000	R'000
6. Funds available for payment of borrowings						
Total assets	a.	4 029 854	6 689 358	11 545 477	16 434 906	24 455 085
Total liabilities excluding borrowings/other financial liabilities	b.	(101 011)	(101 011)	(2 561 465)	(7 440 421)	(10 594 933)
Maximum amount payable for borrowings/other financial liabilities		3 928 843	6 588 347	8 984 012	8 994 485	13 860 152
Borrowings/other financial liabilities	c.	(23 678 588)	(26 444 303)	(28 210 392)	(27 498 807)	(31 166 158)
Shortfall (equals negative equity)		(19 749 745)	(19 855 956)	(19 226 380)	(18 504 322)	(17 306 006)

- a. The reduction in total assets in the 2021 Reporting Period is due to the proceeds received from the repayment of the SAHPL intercompany loan, which was converted into cash and then utilised for the legal settlement. As part of the legal settlement SIHPL acquired the Titan Loan asset of ZAR3.4 billion in the 2021 Reporting Period. It is assumed that the SIH loan receivable will be repaid in two equal payments over the next 2 years (F22 & F23); the excess cash, after the repayment of operating costs and taxes, has been applied to debt. The estimated limited recovery on the Newco 2A loan receivable, is included in December 2023, when the CVA debt becomes due. Refer to assumption no. 2 and no. 8. The Titan loan receivable is the only remaining asset as at the end of the 2024 Reporting Period.
- b. Total liabilities excluding borrowings and 21/22 Financial Creditors claims, partially reduced due to the settlement of the legal provision on 30 September 2021 but increased due to the inclusion of the Steinhoff N.V. loan note and the Newco 2A loan note on the same date. The Steinhoff N.V. and Newco 2A loan notes are settled in the 2022 & 2023 Reporting Period, respectively, due to cash received from the SIH loan receivable referred in a. above.
- c. Borrowings/Other financial liabilities consist of the previously recognised SIHPL CPU liability as well as the claims raised by 21/22 financial creditors. During the 2023 and 2024 Reporting Period SIHPL settled ZAR2.5 billion and ZAR2.8 billion, respectively, of the 21/22 Financial Creditor Claims.

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
PROJECTED CASH FLOW
FOR THE 4 YEARS ENDING 30 SEPTEMBER 2024

	12 Months ended 30 September 2024	12 Months ended 30 September 2023	12 Months ended 30 September 2022	12 Months ended 30 September 2021	12 Months ended 30 September 2020
	Projected Management Statements				Actual
Notes	R'000	R'000	R'000	R'000	R'000
Opening balance	173 726	144 892	142 170	84 635	72 680
Cash receipts					
Interest received on cash invested	6 813	5 465	5 415	271 448	4 055
Proceeds from repayment of intergroup loans					
Steinhoff Africa Holdings Proprietary Limited	-	-	-	5 989 220	96 050
Steinhoff Investment Holdings Limited	-	5 063 510	5 063 510	5 971 970	1 500
Steenbok Newco 2A Limited	2 765 715	-	-	-	-
Proceeds on sale of Steinhoff N.V. Shares	-	-	-	699	-
Tax refunds	-	-	-	1 639	23 807
Recovery of litigation costs from insurers	-	-	-	21 171	-
Other receipts	-	-	-	-	151
Total cash receipts	2 772 528	5 068 975	5 068 925	12 256 147	125 563
Cash payments					
Advisory fees	(22 855)	(22 855)	(21 749)	(141 368)	(100 843)
Bank charges	(27)	(26)	(25)	(31)	(48)
Directors and officers insurance	(8 109)	(8 109)	(6 874)	(7 555)	(5 203)
External audit fees	-	(527)	(493)	(426)	(3 170)
Non-executive fees - DI Pauker	(2 745)	(2 745)	(2 693)	(2 707)	(3 001)
Other expenses	-	-	-	-	(12)
Value Added Tax	-	(412)	(404)	(366)	(93)
Settlement of litigation	a.	-	-	(11 969 572)	-
Repayment of intergroup loans					
Steinhoff N.V. loan note	-	-	(3 261 960)	-	-
Steenbok Newco 2A loan note	-	(2 460 454)	(1 722 508)	-	-
21/22 Financial Creditor Claims	(2 765 715)	(2 493 487)	-	-	-
Income tax payments	(54 423)	(51 526)	(49 497)	(76 587)	(1 238)
Total cash payments	(2 853 874)	(5 040 141)	(5 066 203)	(12 198 612)	(113 608)
Closing balance	92 380	173 726	144 892	142 170	84 635

- a. Represents cash value settled by SIHPL for the legal settlement. SAHPL has an obligation to pay the Conservatorium settlement on behalf of SIHPL and accounted for via the related party loans.
- b. At the end of each reporting period, SIHPL retains a cash balance equal to the minimum required balance of €5 million plus a provision for operating expenses for the forecast period.

Schedule 6
Revised Annexure F

Annexure F – Part I

BVI 1499 Settled Claim Calculation

<u>Component</u>	<u>Value</u>	<u>Calculation</u>
Original Shares	51,703,157	[A]
Transaction Price per Steinhoff Share	R 57.0	[B]
Floor Price per Share (True Value) ^[1]	R 2.43	[C]
Transaction Amount (MM)	R 2,947.1	[D] = [A] x [B]
Implied True Value of Original Shares ^[2]	R 125.6	[E] = [A] x [C]
Implied Claim at Transaction Date	R 2,821.4	[F] = [D] - [E]
Dividends Received (MM) ^[3]	R 186.2	[G]
Shares Sold ^[4]	12,608,537	[H]
Share Sales Amount (MM) ^[4]	R 993.3	[I]
Floor Amount of Shares Sold (MM)	R 30.6	[J] = [C] x [H]
Nominal Amount Estimated Claim - 5 December 2017 (MM)	R 1,672.6	[K] = [F] - [G] - ([I] + [J])
Estimated Claim - 31 August 2021 (MM) ^[5]	R 2,241.6	[L] = [K] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]	28.7%	[M]
Settlement Amount (MM)	R 642.6	[N] = [L] x [M]

Notes:

[1] The Floor Price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[2] Calculated as the True Value of the Original Shares based on the Floor Price of the shares as of the Publication Date.

[3] The value is calculated on the basis of shareholdings as of each relevant dividend date. The third party data indicates that BVI held approximately 51.7 million shares as of the November 2015 dividend (R165 cents), 46.0 million shares as of the November 2016 dividend (R180.18 cents), and 43.4 million shares as of the March 2017 dividend (R41.22 cents). Calculations assume all dividends were received in cash unless otherwise noted.

[4] The BVI 1499 pleading claims that the Claimants only held 39,094,620 shares on 5 December 2017, implying sales of 12,608,537 shares, which could not be identified in the third party data. The Claimant does not account for any profits/losses from the sales of these shares, i.e. the shares are implicitly assumed to have been sold at the original transaction price. The Share Sales value shown correspond to the estimated amounts received from the sales of the 12.6 million shares based on the average share price over the time the sales were made according to the third party data. Any sales after 5 December 2017 are not considered in these calculations.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Annexure F – Part II

Cronjé Settled Claim Calculation

<u>Component</u>	<u>C.A. Cronjé</u>	<u>J.H. du Toit</u>	<u>A. Hansen</u>	<u>L.M. Lourens</u>	<u>J.F. Pienaar</u>	<u>J.S. van Rooyen</u>	<u>J.D. Wasserfall</u>	<u>Total</u>	<u>Calculation</u>
Original Shares	875,427	4,908,720	66,268	1,142,851	624,484	70,087	411,160	8,098,997	[A]
Transaction Price per Steinhoff Share	R 57.0	R 57.0	R 57.0	R 57.0	R 57.0	R 57.0	R 57.0	R 57.0	[B]
Floor Price per Share (True Value) ^[1]	R 2.43	R 2.43	R 2.43	R 2.43	R 2.43	R 2.43	R 2.43	R 2.43	[C]
Transaction Amount (MM)	R 49.9	R 279.8	R 3.8	R 65.1	R 35.6	R 4.0	R 23.4	R 461.6	[D] = [A] x [B]
Implied True Value of Original Shares ^[2]	R 2.1	R 11.9	R 0.2	R 2.8	R 1.5	R 0.2	R 1.0	R 19.7	[E] = [A] x [C]
Implied Claim at Transaction Date	R 47.8	R 267.9	R 3.6	R 62.4	R 34.1	R 3.8	R 22.4	R 442.0	[F] = [D] - [E]
Dividends Received (MM) ^[3]	R 3.4	R 19.0	R 0.3	R 4.4	R 2.4	R 0.3	R 1.6	R 31.3	[G]
Shares Sold ^[4]	0	0	0	0	0	0	0	0	[H]
Share Sales Amount (MM) ^[4]	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	[I]
Floor Amount of Shares Sold (MM)	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	R 0.0	[J] = [C] x [H]
Nominal Amount									
Estimated Claim - 5 December 2017 (MM)	R 44.4	R 248.9	R 3.4	R 57.9	R 31.7	R 3.6	R 20.8	R 410.7	[K] = [F] - [G] - ([I] + [J])
Estimated Claim - 31 August 2021 (MM) ^[5]	R 59.5	R 333.6	R 4.5	R 77.7	R 42.4	R 4.8	R 27.9	R 550.4	[L] = [K] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	[M]
Settlement Amount (MM)	R 17.1	R 95.6	R 1.3	R 22.3	R 12.2	R 1.4	R 8.0	R 157.8	[N] = [L] x [M]

Notes:

[1] The floor price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[2] Calculated as the True Value of the Original Shares based on the Floor Price of the shares as of the Publication Date.

[3] The values shown assume that the Claimant held all the Original Shares from the date of the transaction through to 5 December 2017, as per the pleadings, and received total dividends of approximately R386.4 cents per share. The third party shareholding data however indicates certain of these Claimants may have sold shares prior to 5 December 2017 and these calculations may be revised upon any confirmation of the third party data. Calculations assume all dividends were received in cash unless otherwise noted.

[4] Any sales after 5 December 2017 are not considered in these calculations.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Annexure F – Part III

Estate Late Greyling Settled Claim Calculation

<u>Component</u>	<u>Value</u>	<u>Calculation</u>
Original Shares	1,325,000	[A]
Transaction Price per Steinhoff Share	R 74.0	[B]
Transaction Amount (MM)	R 98.1	[C] = [A] x [B]
Dividends Received (MM) ^[1]	R 3.0	[D]
Shares Sold ^[2]	0	[E]
Share Sales Amount (MM) ^[2]	R 0.0	[F]
Residual Shares ^[3]	1,351,271	[G] = [A] - [E]
Floor Price per Share ^[4]	R 2.43	[H]
Floor Amount (MM)	R 3.3	[I] = [G] x [H]
Nominal Amount Estimated Claim - 5 December 2017 (MM)	R 91.8	[J] = [C] - [D] - [F] - [I]
Estimated Claim - 31 August 2021 (MM) ^[5]	R 123.0	[K] = [J] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]	28.7%	[L]
Settlement Amount (MM)	R 35.3	[M] = [K] x [L]

Notes:

[1] Cash dividends received according to support documents provided by Greyling. Calculations consider the gross value of dividends as an offset to claims.

[2] Any sales after 5 December 2017 are not considered in these calculations.

[3] The residual shares correspond to all contractual claim shares held as of 5 December 2017, including shares received as in specie dividends. Shares purchased on the market have MPC claims and are not considered in these calculations.

[4] The floor price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Annexure F – Part IV

GT Ferreira Settled Claim Calculation

<u>Component</u>	<u>GT Ferreira</u>	<u>Tokara BEE Trust</u>	<u>Tokara Employee Trust</u>	<u>Total</u>	<u>Calculation</u>
Original Shares	5,847,888	5,113,175	4,850,666	15,811,729	[A]
Transaction Price per Steinhoff Share	R 74.0	R 74.0	R 74.0	R 74.0	[B]
Transaction Amount (MM)	R 432.9	R 378.5	R 359.1	R 1,170.5	[C] = [A] x [B]
Dividends Received (MM) ^[1]	R 13.2	R 11.5	R 11.0	R 35.7	[D]
Shares Sold ^[2]	0	0	0	0	[E]
Share Sales Amount (MM) ^[2]	R 0.0	R 0.0	R 0.0	R 0.0	[F]
Residual Shares ^[3]	5,963,834	5,214,554	4,946,840	16,125,228	[G] = [A] - [E]
Floor Price per Share ^[4]	R 2.43	R 2.43	R 2.43	R 2.43	[H]
Floor Amount (MM)	R 14.5	R 12.7	R 12.0	R 39.2	[I] = [G] x [H]
Nominal Amount					
Estimated Claim - 5 December 2017 (MM)	R 405.2	R 354.3	R 336.1	R 1,095.7	[J] = [C] - [D] - [F] - [I]
Estimated Claim - 31 August 2021 (MM) ^[5]	R 543.1	R 474.8	R 450.5	R 1,468.3	[K] = [J] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]	28.7%	28.7%	28.7%	28.7%	[L]
Settlement Amount (MM)	R 155.7	R 136.1	R 129.1	R 420.9	[M] = [K] x [L]

Notes:

[1] Cash dividends received according to support documents provided by GT Ferreira Claimants. Calculations consider the gross value of dividends as an offset to claims.

[2] Any sales after 5 December 2017 are not considered in these calculations.

[3] The residual shares correspond to all shares held as of 5 December 2017, including shares received as in specie dividends.

[4] The floor price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Annexure F – Part V

Le Toit Trust Settled Claim Calculation

<u>Component</u>	<u>Value</u>	<u>Calculation</u>
Original Shares	10,176,000	[A]
Transaction Price per Steinhoff Share	R 74.0	[B]
Transaction Amount (MM)	R 753.3	[C] = [A] x [B]
Dividends Received (MM) ^[1]	R 36.1	[D]
Shares Sold ^[2]	1,122,500	[E]
Share Sales Amount (MM) ^[2]	R 85.3	[F]
Residual Shares ^[3]	9,053,500	[G] = [A] - [E]
Floor Price per Share ^[4]	R 2.43	[H]
Floor Amount (MM)	R 22.0	[I] = [G] x [H]
Nominal Amount Estimated Claim - 5 December 2017 (MM)	R 609.9	[J] = [C] - [D] - [F] - [I]
Estimated Claim - 31 August 2021 (MM) ^[5]	R 817.3	[K] = [J] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]	28.7%	[L]
Settlement Amount (MM)	R 234.3	[M] = [K] x [L]

Notes:

[1] The value is calculated on the basis of shareholdings as of each relevant dividend date. The support documents provided by Le Toit Trust indicates that all dividends were received in cash. The documents indicates that the Le Toit Trust held approximately 10.05 million shares as of the November 2015 dividend (R165 cents), 8.83 million shares as of the November 2016 dividend (R180.18 cents), and 8.83 million shares as of the March 2017 dividend (R41.22 cents). Calculations consider the gross value of dividends as an offset to claims.

[2] Any sales after 5 December 2017 are not considered in these calculations. Analysis does not consider the effects of the transfer of 227,273 shares, which were later returned. Instead, the analysis assumes these shares remain held by Le Toit Trust throughout.

[3] The residual shares correspond to all shares held as of 5 December 2017.

[4] The floor price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Annexure F – Part VI

Wiese Settled Claim Calculation

<u>Component</u>	<u>Thibault</u>	<u>Wiesfam</u>	<u>Total</u>	<u>Calculation</u>
Original Shares	609,145,624	29,718,557	638,864,181	[A]
Transaction Price per Steinhoff Share	R 57.0	R 22.7		[B]
Transaction Amount (MM)	R 34,721.3	R 675.8	R 35,397.1	[C] = [A] x [B]
Dividends Received (MM) ^[1]	R 1,377.6	R 207.0	R 1,584.5	[D]
Shares Sold ^[2]	0	0	0	[E]
Share Sales Amount (MM) ^[2]	R 0.0	R 0.0	R 0.0	[F]
Residual Shares ^[3]	621,223,154	29,718,557	650,941,711	[G] = [A] - [E]
Floor Price per Share ^[4]	R 2.43	R 2.43	R 2.43	[H]
Floor Amount (MM)	R 1,509.6	R 72.2	R 1,581.8	[I] = [G] x [H]
Nominal Amount				
Estimated Claim - 5 December 2017 (MM)	R 31,834.1	R 396.6	R 32,230.8	[J] = [C] - [D] - [F] - [I]
Estimated Claim - 31 August 2021 (MM) ^[5]	R 42,662.6	R 531.5	R 43,194.1	[K] = [J] x Interest Factor
Settlement Recovery (31 August 2021) ^[5]			18.3%	[L]
Settlement Amount (MM)			R 7,903.8	[M] = [K] x [L]

Notes:

[1] Thibault is understood to have received approximately R1,378 million in cash dividends and 12.1 million in shares. The value for Wiesfam is calculated on the basis of shareholdings of Original Shares as of each relevant dividend date. The pleadings and third party data indicates that the Claimants have not sold any shares prior to 5 December 2017 and that each share therefore received all dividend payments from the time of the transaction, a total of approximately R696.4 cents per share. Calculations assume all dividends were received in cash unless otherwise noted.

[2] Any sales after 5 December 2017 are not considered in these calculations.

[3] The residual shares correspond to all shares held as of 5 December 2017. The residual value calculation for Thibault includes shares received as dividends.

[4] The floor price of ZAR 2.43 corresponds to the SIHNV VWAP for the SIHNV shares listed on the Johannesburg Stock Exchange for the 30 days starting on the first trading day post the Publication Date.

[5] For comparability to the liquidation comparator values, the estimated claims, and corresponding recovery rates, are shown as of 31 August 2021. The 5 December 2017 claim values are grown by a factor of approximately 1.34 which corresponds to the applicable South African statutory interest for the period 5 December 2017 to 31 August 2021.

Schedule 7
Revised Annexure H

SIHPL Filing Instruction

Contractual Claimants under the Section 155 Proposal

Part 1. Terms and Conditions

These Terms and Conditions govern this SIHPL Filing Instruction. You must read these Terms and Conditions in detail and consider seeking **independent legal advice** prior to completing the SIHPL Filing Instruction.

1.1 Agreement with the terms

By submitting this SIHPL Filing Instruction, you are bound by the terms of this SIHPL Filing Instruction as of the date of this SIHPL Filing Instruction, as included in these Terms and Conditions and all Parts of this SIHPL Filing Instruction.

1.2 Applicability of the Section 155 Proposal

The completion and submission of this SIHPL Filing Instruction is a requirement under the Section 155 Proposal. Terms used but not defined in this SIHPL Filing Instruction will have the meaning given to them in the Section 155 Proposal. A list of most used definitions is provided in Part 2 of this SIHPL Filing Instruction.

1.3 No transfer or assignment

By signing and submitting this SIHPL Filing Instruction, you agree and acknowledge that as of the date of submission of this SIHPL Filing Instruction you shall not assign or transfer any rights or obligations in relation to or arising from your claims and the Section 155 Proposal, and any such rights or obligations are incapable of being transferred or assigned.

1.4 Electronic communication

By submitting this SIHPL Filing Instruction, you authorise the Claims Administrator to communicate with you only electronically via the email address provided below for all future communications in connection with this SIHPL Filing Instruction, your claims under the Section 155 Proposal and the Section 155 Proposal itself.

1.5 Completed SIHPL Filing Instruction required

This SIHPL Filing Instruction must be completed, filled out in whole and signed before submission. Blank forms will not be accepted. Please ensure this SIHPL Filing Instruction is duly signed in Part 11 hereof.

1.6 Change to details provided

To the extent the contact or bank details provided herein change, you must immediately provide an update to the Claims Administrator via email at info@SteinhoffSettlement.com.

Failure to do so is at your risk and expense. You bear the risk that any details provided in this SIHPL Filing Instruction are incorrect.

1.7 Governing law

This SIHPL Filing Instruction is governed by South African law.

Part 2. Most used definitions

“Bar Date” means the date falling three months after the Settlement Effective Date;

“claim” means a claim of any nature, whether present or future, whether actual, prospective or contingent, whether in existence now or coming into existence at some time in the future (including those which arise upon a change in the relevant law), whether known or unknown and whether contemplated or not, including (without limitation):

- (i) any and all claims, rights, demands and causes of action, including in respect of any Liabilities, obligations or losses and whether arising in equity or under common law or statute or by reason of breach of contract, breach of trust or in respect of any tortious or negligent act or omission (whether or not loss or damage caused thereby has yet been suffered), or in restitution or by way of proprietary claim or otherwise;
- (ii) claims for, among other things, the enforcement of any right to, or any Liability in respect of a right to:
 - a. seek or enforce judgment;
 - b. exercise any remedy (for damages or otherwise), indemnity and contribution, whether for losses (including consequential loss, economic loss, loss of bargain, loss of value, or other losses computed by reference to value which may have been available had an obligation been duly performed in a timely manner, or otherwise), costs, charges and expenses of any nature;
 - c. seek the filing of papers, or the production, disclosure or discovery of any document or thing; or
 - d. apply any set-off, netting, withholding, combination of accounts or retention or similar rights in respect of any claim or any Liability; and
- (iii) a claim of any nature arising out of or in relation to any negligent, reckless, intentional, dishonest or fraudulent act or omission;

“Claims Administrator” means a globally recognised claims administrator initially appointed by SIHNV and SIHPL (to be replaced by SRF as sole counterparty of the claims administrator after the incorporation of SRF) to act independently from the parties to the SRF Settlement Documents (as defined in the SRF and Claims Administration Conditions)

(except for the SRF) and to assist the SRF with the implementation of the SRF Settlement Documents;

“Contractual Claim” means a claim held by a Contractual Claimant;

“Contractual Claimants” means collectively -

- i. Litigation claimants, which (i) instituted claims against SIHPL prior to 5 December 2020, in respect of arms-length negotiated contractual arrangements under which shares in other enterprises were sold or transferred by such claimants or their related parties to SIHPL, (ii) received consideration directly from SIHPL by way of issuance, or transfer, of SIHPL Shares and (iii) whose details are set out in Annexure F to the Section 155 Proposal, including the relevant Titan Claimants; and
- ii. Mayfair in respect of the Mayfair Claim;

“Contractual Claims Valuation Methodology” has the meaning ascribed thereto in clause 15.1 of the Section 155 Proposal;

“Financial Creditors” means the beneficiaries of the SIHPL CPU;

“Liabilities” means all liabilities, duties and obligations of every description, whether known or unknown, whether deriving from contract, common law, case law, legal provisions, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly or as principal or surety, and including arising out of or in relation to any reckless or fraudulent act or omission, and **“Liability”** means any one of them;

“PPH Shares” means shares in Pepkor Holdings Limited;

“Scheme Creditors” has the meaning ascribed thereto in the Section 155 Proposal;

“Section 155 Meeting” means the meeting, or meetings, of Scheme Creditors, as the case may be, to be convened in accordance with section 155(6) of the South African Companies Act (2008), as may be adjourned from time to time. The date(s) of the meeting(s) will be announced on www.steinhoffsettlement.com;

“Section 155 Proceedings” means compromise proceedings under section 155 of the South African Companies Act 71 of 2008, which will broadly be used to implement the settlement of claims by specified classes of creditors against SIHPL;

“Section 155 Proposal” means the proposal made by SIHPL pursuant to section 155 of the Companies Act No. 71 of 2008 (as amended) to certain of its claimants falling within the definition of Scheme Creditors as set out therein;

“SIHNV Composition Plan” means the draft composition plan (in Dutch: *“ontwerpakkkoord”*) originally dated 15 February 2021, substantially in the form as submitted by SIHNV together with its application for the SoP Proceedings dated 15

February 2021 and as may be amended until the court hearing scheduled pursuant to Section 255(1)(2°) of the Dutch Bankruptcy Act (in Dutch: "*Faillissementswet*");

"SIHPL CPU" means the contingent payment undertaking agreement dated on or about 12 August 2019 and as amended by an "Amendment Deed" dated 21 August 2019, between SIHPL and Global Loan Agency Services Limited in respect of the facility agreement between, amongst others, Steenbok Lux Finco 1 Sarl and Global Loan Agency Services Limited in respect of the €465,000,000 4% guaranteed convertible bonds dated 23 November 2015, as amended from time to time, originally made between SFH (as borrower) and SIHNV and SIHPL as guarantors, due 2021 and the €1,116,300,000 1.25% guaranteed convertible bonds dated 23 November 2015, as amended from time to time, originally made between SFH (as borrower) and SIHNV and SIHPL as guarantors, due 2022;

"SIHPL Shares" means ordinary shares in the capital of SIHPL listed on the JSE; and

"SIHPL Market Purchase Claimants" has the meaning ascribed thereto in the Section 155 Proposal;

"MPC Relevant Claim" has the meaning ascribed thereto in the Section 155 Proposal;

"SRF" means the Stichting Steinhoff Recovery Foundation, a Dutch foundation (in Dutch: "*stichting*") to be established by SIHNV.

Part 3. Filing instructions

Reference is made to the Section 155 Proposal.

The key terms of the Section 155 Proposal may be summarised as follows:

1. The Section 155 Proposal contemplates a compromise between SIHPL and Scheme Creditors, defined in the Section 155 Proposal, and who are envisaged to be settled in accordance with the terms of the Section 155 Proposal.
2. The Section 155 Proposal shall become effective if (i) it is adopted by the statutory required majorities of the Scheme Creditors of SIHPL that participate in the filing and voting procedures; (ii) it is thereafter approved and sanctioned on a final and non-appealable basis by the High Court of South Africa as contemplated in section 155(7) of the Companies Act; and (iii) all of the Suspensive Conditions (as defined in Annexure A to the Section 155 Proposal) applicable to the Section 155 Proposal are satisfied. Following the Section 155 Proposal becoming effective, compromises will become effective and distributions will be made to the Scheme Creditors who are entitled thereto in accordance with the provisions of the Section 155 Proposal. If the Section 155 Proposal does not become effective, it shall be of no legal force or effect, shall not constitute a compromise of any claims of Scheme Creditors, and shall not constitute an offer of any kind on the part of the Company capable of acceptance by Scheme Creditors.
3. Scheme Creditors comprise what are defined in Annexure A to the Section 155 Proposal as –
 - the Contractual Claimants;
 - the Financial Creditors; and
 - the SIHPL Market Purchase Claimants,

who are envisaged to be settled in accordance with the terms of the Section 155 Proposal.

4. The Section 155 Proposal shall be put to a vote at a virtual meeting or meetings, convened for such purpose.
5. The Section 155 Proposal does not constitute, on any basis whatsoever, an admission of any liability on the part of SIHPL towards any party that has instituted legal proceedings against SIHPL, or intends to institute such legal proceedings or has threatened to institute such legal proceedings or who may assert a claim of whatsoever nature and howsoever arising, in legal proceedings.

If you meet the definition of a Contractual Claimant under the Section 155 Proposal, please carefully read the following instructions and sign and submit this SIHPL Filing Instruction,

as you may be entitled to participate in the distributions proposed to be paid under the Section 155 Proposal.

If anything in this SIHPL Filing Instruction or the Section 155 Proposal is unclear, please refer to the Frequently Asked Questions on the website: www.SteinhoffSettlement.com.

Further information, including the Section 155 Proposal (which includes all relevant definitions) and all other relevant definitions and other documents can be found at www.SteinhoffSettlement.com.

1.1 Do not submit a SIHPL Filing Instruction if you do not have a claim

To the extent you do not have a claim eligible for compensation, please do **NOT** submit a SIHPL Filing Instruction. False, non-existent and fraudulent claims may be reported to the relevant authorities.

1.2 Timely submission of the SIHPL Filing Instruction including documents

To the extent that you do not submit your completed SIHPL Filing Instruction before the date which is 5 business days prior to the Meeting, please ensure that you have submitted your completed SIHPL Filing Instruction along with the required documentation by no later than the Bar Date. Failure to submit the SIHPL Filing Instruction on time may lead to the rejection of your claim, which means you will not receive any compensation for your claim.

1.3 Filing in respect of the Section 155 Proposal

The completed SIHPL Filing Instruction will be used to determine whether you qualify as a Contractual Claimant (in which case you may be eligible to submit your claims for compensation against SIHPL in the Section 155 Proceedings) Please refer to the Section 155 Proposal for the relevant provisions: www.SteinhoffSettlement.com.

1.4 Based on the completed SIHPL Filing Instruction your claim will be submitted in the Section 155 proceedings if it is filed before the relevant deadline

The Claims Administrator will file your claim in the Section 155 Proceedings on the basis of the SIHPL Filing Instruction below. You may also elect whether you wish to attend the virtual Section 155 Meeting personally and vote at that meeting or appoint a proxy to attend and vote on your behalf.

1.5 Rejection of claims if supporting evidence is not sufficient or defects are not remedied

You will not be entitled to any compensation and your claim(s) may be rejected if you do not submit your claims with sufficient supporting information and documentary

evidence **on or before the Bar Date** and/or do not timely remedy any defects (which will be notified by the Claims Administrator).

For these purposes, supporting information and documentary evidence shall not be sufficient if it is incomplete or incorrect in any material respect, as determined by the Claims Administrator.

1.6 Submission of your completed SIHPL Filing Instruction

Once you have completed your SIHPL Filing Instruction, please sign in the space provided at the end of the SIHPL Filing Instruction and submit the SIHPL Filing Instruction accompanied with copies of all the supporting documentation by emailing Institutions@SteinhoffSettlement.com, with the subject line "SIHPL Filing Instruction: Contractual Claimants – [CLAIMANT'S FULL NAME]".

You will receive a confirmation of your submission once completed. If you do not receive such confirmation, please contact the Claims Administrator using the contact details provided below.

1.7 Submission by post

In the event you cannot submit your SIHPL Filing Instruction by email, the Claims Administrator can accept submission by (only) regular mail. If you file a SIHPL Filing Instruction by postal services, you accept and agree that you bear any risk related thereto (including, but not limited to, the risk that the submission is received after any applicable deadline). Please contact the Claims Administrator using the contact details immediately below for further details:

Email: info@SteinhoffSettlement.com

Toll-free US number: +1 866-559-7591

UIFN toll-free International number: +49 (0) 800-2667-8831

Toll-free South Africa number: +27 (0) 860 024 737

Lines are open weekdays between 8am and 4:30pm SAST.

1.8 Contractual Claimants with MPC Relevant Claims

Kindly note that this SIHPL Filing Instruction is to be used only by Contractual Claimants in connection with their Contractual Claims. If you are a Contractual Claimant who also has an MPC Relevant Claim, please use the separate Online Claim Form available at www.SteinhoffSettlement.com in order to submit such MPC Relevant Claim and participate in the settlement payments relating thereto.

1.9 Any questions?

You will find further information, including the Section 155 Proposal and all relevant definitions and documents at the case website www.SteinhoffSettlement.com.

If you have any questions about this SIHPL Filing Instruction, please take a look at our frequently asked questions page or contact the Claims Administrator directly at info@SteinhoffSettlement.com.

Part 4. Expected timetable of the key events

Below you will find the relevant dates in respect of the Section 155 Proceedings. Please bear these dates in mind when completing your SIHPL Filing Instruction. These dates can be subject to change.

The SIHPL Filing Instruction must be submitted ultimately on or before the Bar Date.

IMPORTANT NOTE regarding the voting process and the appointment of proxies under the Section 155 Proposal:

- In the SIHPL Filing Instruction, claimants may elect whether they wish to attend and vote at the meeting personally or whether they wish to appoint a proxy to do so on their behalf. If claimants elect to appoint a proxy, they must instruct the proxy to either vote in favour or against the Section 155 Proposal or to abstain from voting.
- The voting proxy may be revoked at any time prior to the Section 155 Meeting, in which event the claimant in question may either –
 - submit a fresh proxy (provided it is submitted 96 hours prior to the Section 155 Meeting) and in this respect claimants are asked to contact the Claims Administrator for further information; or
 - register for and attend the Section 155 Meeting personally.
- Submitting a proxy does not preclude the claimant in question from subsequently deciding to attend the Section 155 Meeting and vote on the Section 155 Proposal personally. In this event, the claimant in question must advise the Claims Administrator at least 96 hours prior to the Section 155 Meeting that the relevant proxy should be disregarded and that the claimant wishes to register to attend the Section 155 Meeting personally.

Event	Time and/or date
Deadline for submission of the SIHPL Filing Instruction if you wish to attend and vote at the Section 155 Meeting (Note: you will still be entitled to submit a SIHPL Filing Instruction after this date, but only for purposes of receiving payment)	5 business days prior to the Section 155 Meeting
Deadline for submission of a proxy	96 hours prior to the Meeting

Event	Time and/or date
Section 155 Meeting	To be announced on www.steinhoffsettlement.com
Settlement Effective Date	The date on which the "Conditions Precedent" (as defined in the SIHNV Composition Plan) and all "Suspensive Conditions" (as defined in the Section 155 Proposal) are fulfilled, such date to be published by way of a press release on SIHNV's website
Bar Date	The date falling three months after the Settlement Effective Date, calculated from the Settlement Effective Date
Payment to Contractual Claimants	As soon as reasonably practicable after the Settlement Effective Date

Part 5.A. Claimant Identification: guidance

Please use this Part 5 of the SIHPL Filing Instruction to list the claimant's name, mailing address, and relevant account information.

If your claimant identification information changes, please immediately notify the Claims Administrator in writing via info@SteinhoffSettlement.com.

Part 5.B. Claimant Identification

Last Name (beneficial owner)

First Name (beneficial owner)

Legal Entity Name (if claim is filed on behalf of a legal entity)

Representative Name (in the case of a representative)

Address Line 1

Address Line 2

City

Province/State

Postal Code

Country

South African Resident for exchange control purposes (see Authorised Dealer Manual if in doubt)

Yes No

Email Address

Confirm Email Address

Phone Number (incl. country code)

If you received the claims via transfer or assignment by another party:

If you were not the party who originally acquired the SIHPL Shares, but received this claim via transfer or assignment by another party, you **MUST** provide details and documentary evidence (i.e. the assignment agreement) of that assignment. On the basis of that information, the Claims Administrator can review your claim and check, for example, that the claim has been validly assigned and the claim has not been submitted by the assignor as well.

Name of Assignor

Date of transfer/assignment

Please include acceptable proof as an attachment to the email under cover of which you submit this SIHPL Filing Instruction. Required documentation may be in .jpg,.jpeg,.tif,.tiff,.gif,.png,.pdf format only and should not exceed 10 MB total per attachment across all files and a maximum of 5 files may be attached.

Identity documents

Please attach the following identity document(s), as applicable:

- i. For natural persons (i.e. individuals): colour photocopy of your identity book/card or passport;
- ii. For corporate entities: photocopies of registration/incorporation documents
- iii. For trusts: photocopies of the trust deed and the letters of authority of trustees

Please include the acceptable identity document(s) as an attachment to the email under cover of which you submit this SIHPL Filing Instruction. Required documentation may be in .jpg,.jpeg,.tif,.tiff,.gif,.png,.pdf format only and should not exceed 10 MB total per attachment across all files and a maximum of 5 files may be attached.

(For representatives only) Evidence of authority to submit a claim.

If you are acting in a representative capacity on behalf of the Contractual Claimant, for example as an attorney, counsel, agent, trustee, guardian, executor or other representative, you must submit evidence of your valid authority to act on behalf of that Contractual Claimant. Such evidence would include, for example, letters of testamentary authority (executorship), letters of administration, or a copy of the trust documents, powers of attorney, service agreements or other documents which evidence your authority to submit the claim. Please also indicate your representative capacity under your signature at the end of this SIHPL Filing Instruction.

Please include evidence of your valid authority to act on behalf of the Contractual Claimant as an attachment to the email under cover of which you submit this SIHPL Filing Instruction. Required documentation may be in .jpg,.jpeg,.tif,.tiff,.gif,.png,.pdf format only and should not exceed 10 MB total per attachment across all files and a maximum of 5 files may be attached.

Part 6.A. Compensation Payment Information: guidance

In the event that you are eligible to receive compensation under the Section 155 Proposal, you will receive payment of the compensation as soon as reasonably practicable after the Settlement Effective Date. The payment will be transferred to your bank account (in respect of a cash payment) or securities account (in respect of a payment in shares, if applicable) in accordance with the details provided by you in this Part 6. You bear the risk that the payment / account details are incorrect. You can only provide one bank account and one securities account.

Please note that payments will be made in South African Rand (ZAR), in accordance with the Section 155 Proposal. If you are: (i) entitled to receive a cash payment in ZAR; and (ii) a South African resident, your ZAR cash payment can only be made into a South African bank account.

IMPORTANT NOTE TO OVERSEAS CLAIMANTS

THE PPH SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR UNDER THE RELEVANT SECURITIES LAWS OF ANY STATE OR TERRITORY OR OTHER JURISDICTION OF THE UNITED STATES AND WILL NOT BE LISTED ON ANY STOCK EXCHANGE IN THE UNITED STATES. THE PPH SHARES ARE EXPECTED TO BE DISTRIBUTED TO CLAIMANTS IN THE UNITED STATES IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY SECTION 3(A)(10) THEREOF, OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

OTHER OVERSEAS CLAIMANTS SHOULD CONSULT THEIR INDEPENDENT PROFESSIONAL ADVISERS AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS OR NEED TO OBSERVE ANY OTHER FORMALITIES TO ENABLE THEM TO RECEIVE THE PPH SHARES TO WHICH THEY ARE ENTITLED UNDER THE SECTION 155 PROPOSAL. IF A CLAIMANT IS IN ANY DOUBT AS TO HIS/HER/ITS ELIGIBILITY TO RECEIVE PPH SHARES THEY SHOULD CONTACT THEIR INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

Part 6.B. Compensation Payment Information

Payment in cash

PLEASE NOTE THAT YOU SHOULD PROVIDE DETAILS OF A SOUTH AFRICAN BANK ACCOUNT TO THE EXTENT YOU ARE A SOUTH AFRICAN RESIDENT AND ARE ENTITLED TO RECEIVE A PAYMENT IN ZAR.

Select one: IBAN Bank Account Number

IBAN Bank Identifier Code (BIC)

Account Holder Name

Bank Name

ABA/Sort Code (only applicable to US and UK/Irish banks)

For Further Credit (FFC) Account Name (if applicable)

FFC Account Number (if applicable)

Correspondent's Bank (if applicable)

Correspondent's Bank SWIFT (if applicable)

Correspondent's Bank Account Number (if applicable)

Payment in shares

PLEASE NOTE THAT THE PPH SHARES CAN ONLY BE TRANSFERRED DIRECTLY TO THE CLAIMANT OR TO A NOMINEE REGISTERED WITH STRATE PROPRIETARY LIMITED.

Please indicate whether you have a South African Central Securities Depository ("CSD") participant or brokers account and, if so, please provide the relevant account details below.

Yes, I have a South African CSD participant or brokers account (please provide relevant details below)

No, I do not have a South African CSD participant or brokers account

Issuer Name

ISIN Number

JSE Code

CSDP Name
CSDP BP ID
CSA Account No. Held at Strate
Client Name
Client Safe Keeping Account Number (SCA)
CSDP/Broker Contact Name
CSDP/Broker Telephone Number

If you answered "No" to the above, a securities account will be opened for you with the Computershare Central Securities Depository Participant ("**CSDP**") by default. This will enable you to receive your allotted PPH Shares. However, please note that you will **not** be permitted to trade (i.e. sell or transfer) in such PPH Shares until you have provided all relevant documentation requested by the CSDP. Upon allocation of the PPH Shares, the CSDP will communicate with you via the email address provided in this Claim Form in order to obtain the required documentation. **If you do not provide the documentation requested by the CSDP, you may not be able to trade your PPH Share entitlement, nor will you be entitled to receive a greater portion of your settlement consideration in cash.**

By clicking "No", you are deemed to have:

- i. read and agreed to Computershare's Terms and Conditions, available [here](#);
- ii. consented to being contacted by the CSDP for the purposes of completing the relevant formalities; and
- iii. (for institutional investors only) acknowledged and agreed that there may be a fee associated with the opening of an account on your behalf, which will be borne solely by you.

(For institutional investors only) If you answered "No, I do not have a securities account" to the above, please specify the contact name and telephone number of the broker that you wish to appoint:

Broker Contact Name
Broker Telephone Number

Note: if you are a retail investor, Computershare will appoint a broker on your behalf by default.

Any and all risks relating to the correctness and accuracy of the indication provided by you on whether or not you are eligible and (if applicable) whether or not you have a South African CSD participant or brokers account, and any and all risks relating to you otherwise not timely and/or fully complying with this Part 6, are for your account.

Part 7.A. Filing instructions: guidance

The Section 155 Proposal will be put to a vote at a virtual Section 155 Meeting. If you qualify as a Scheme Creditor, you may be eligible to cast your vote in respect of the Section 155 Proposal at the virtual Section 155 Meeting.

If (i) you submit this SIHPL Filing Instruction to the Claims Administrator not less than 5 business days prior to the Section 155 Meeting and (ii) the Claims Administrator initially determines that you qualify as a Scheme Creditor, you also instruct the Claims Administrator to incorporate your claim in the report to be submitted by the Claims Administrator to the chairperson of the virtual Section 155 Meeting for admission in the Section 155 Proposal. This will be referred to as the "**SIHPL Filing Instruction**".

In the SIHPL Filing Instruction, you can elect whether you wish to attend the virtual Section 155 Meeting personally and vote at that Section 155 Meeting or to appoint a proxy (such as the chairperson of the virtual Section 155 Meeting) to attend the virtual Section 155 Meeting and vote on your behalf. If you choose to provide a proxy to the chairperson, you must instruct the chairperson to vote either in favour of or against the Section 155 Proposal (or abstain from voting) on your behalf. This voting proxy can be revoked prior to the Section 155 Meeting.

If you do not fill out the voting proxy but do wish to give a proxy to someone else to vote on your behalf at the virtual Section 155 Meeting, you can still submit a separate proxy until 96 hours prior to the Section 155 Meeting. Please contact the Claims Administrator for more information in this case.

If you do not wish to instruct the chairperson of the virtual Section 155 Meeting or a third party to vote on your behalf, you may participate in the virtual Section 155 Meeting yourself. In this case, SIHPL and/or the Claims Administrator on its behalf will send you an invitation to participate in the virtual Section 155 Meeting in respect of the Section 155 Proposal.

You can find further information on how to participate in the virtual Section 155 Meeting at: www.steinhoffsettlement.com.

Part 7.B. SIHPL Filing Instruction

Please note that this part only applies to the extent you filed your SIHPL Filing Instruction and Supporting Documentation prior to the relevant deadline for submission of the SIHPL Filing Instruction if you wish to attend and vote at the Section 155 Meeting.

SIHPL Filing Instruction:

- i. By signing and submitting this SIHPL Filing Instruction, I (we) submit my (our) claims with the chairperson of the virtual Section 155 Meeting.
- ii. To the extent, as determined after the initial review of the Claims Administrator, I (we) qualify as a Contractual Claimant, I (we) appoint and instruct the Claims Administrator to incorporate my (our) eligible claim(s) in the report to be submitted by the Claims Administrator to the chairperson of the virtual Section 155 Meeting for admission in the Section 155 Proposal, where applicable for the value as initially determined (for the purposes of the Section 155 Meeting only) by the Claims Administrator, and take all necessary actions in relation thereto.

IF YOU DO NOT WISH TO APPOINT A PROXY, PLEASE SELECT 'NO PROXY'

- i. I (we) appoint and instruct:
 - i. the chairperson of the virtual Section 155 Meeting;
 - ii. a third party, namely:
 - iii. no proxy

ONLY IF YOU ELECTED TO PROVIDE A PROXY TO THE CHAIRPERSON, SELECT ONE OF THE FOLLOWING CHOICES, OTHERWISE YOU OR THE ELECTED THIRD PARTY ON YOUR BEHALF CAN PARTICIPATE IN THE SECTION 155 MEETING

to do any of the following actions at the virtual Section 155 Meeting on my (our) behalf:

- a. vote **IN FAVOUR** of the Section 155 Proposal on the basis of the eligible claim(s) filed with the Claims Administrator;
- b. vote **AGAINST** the Section 155 Proposal on the basis of the eligible claim(s) filed with the Claims Administrator; or
- c. **ABSTAIN** from voting with respect to the Section 155 Proposal on the basis of the eligible claim(s) filed with the Claims Administrator,

and to do all such things concerning the respective claim(s) that it may deem necessary in respect of the above actions.

Conditions of the Filing Instructions

By providing this SIHPL Filing Instruction to the Claims Administrator, as applicable, I (we):

- i. accept that I am (we are) bound by such SIHPL Filing Instruction, as applicable;
- ii. to the extent a voting proxy is provided, accept that the party appointed may exercise the voting actions stipulated by the proxy with respect to the then current version of the Section 155 Proposal, including in the event the Section 155 Proposal is amended before the virtual Section 155 Meeting, to the extent the voting proxy has not been revoked;
- iii. only to the extent I (we) qualify as a Contractual Claimant, as established after the initial review of the Claims Administrator:
 - a. accept that the value of the Contractual Claims will be determined in accordance with the Contractual Claims Valuation Methodology only for the purposes of the Claims Administrator executing the SIHPL Filing Instruction and will be as recorded in the relevant part of Annexure F of the Section 155 proposal relating to my Contractual Claim(s);
 - b. authorise the Claims Administrator to disclose full details of the name, full legal entity name (if applicable) and all other relevant information required in order to submit the Contractual Claim(s) to the chairperson of the virtual Section 155 Meeting; and
 - c. to the extent the voting proxy is provided:
 - i. accept that I (we) will be represented at the virtual Section 155 Meeting by proxy granted to the party appointed in the voting proxy;
 - ii. accept that the party appointed in the voting proxy will cast the votes at the virtual Section 155 Meeting in respect of the Section 155 Proposal by proxy on my (our) behalf in respect of my (our) Contractual Claim(s);
- iv. accept that the party appointed in the voting proxy will cast the votes at the virtual Section 155 Meeting in respect of the Section 155 Proposal by proxy on my (our) behalf;
- v. agree and acknowledge that the SIHPL Filing Instruction is governed by the laws of South Africa.

Part 8.A. Representations: guidance

In order for the Claims Administrator to be able to accurately assess your claim and to rely on the information submitted by you, you need to make certain representations and warranties as set out in this Part 8.

Part 8.B. Representations

By signing and submitting this SIHPL Filing Instruction, I (we) make the following representations and warranties to the Claims Administrator on the date of this SIHPL Filing Instruction in each case by reference to the facts and circumstances existing on such date. I (we) give each of the following representations and warranties:

- i. (in the case of natural persons) I (we) have full legal capacity, have been declared of age and otherwise have full contractual capacity in respect of the execution of this SIHPL Filing Instruction and have not been (i) placed under curatorship or tutelage (as applicable), (ii) been declared bankrupt or insolvent and am (are) not subject to a debt rescheduling or (iii) subjected to any analogous proceedings in any jurisdiction and the administration over my (our) assets has not been entrusted to another person;
- ii. (in the case of legal persons) it is duly incorporated (if a corporate person) or duly established (in any other case) and validly existing under the law of its jurisdiction of incorporation or formation;
- iii. (in the case of legal persons) it has not had its assets placed under administration and has not been (i) dissolved, merged, deregistered or split up, (ii) subjected to any one of the insolvency proceedings listed in Annex A to Regulation (EU) 2015/848 on insolvency proceedings (recast) or any insolvency proceedings under the Insolvency Act 24 of 1936 as read with the Companies Act 71 of 2008 and Chapter XIV of the Companies Act 61 of 1973 or any analogous proceedings in any jurisdiction, including bankruptcy and moratorium or (iii) liquidated (whether provisionally or finally) or deregistered or placed under business rescue or any analogous proceedings;
- iv. the obligations expressed to be assumed by me (us) in terms of this SIHPL Filing Instruction are legal, valid, binding and enforceable;
- v. the entry into and performance by me (us) of this SIHPL Filing Instruction and the transactions contemplated under it do not and will not conflict with any law or regulation applicable to my (our) constitutional documents (if applicable);
- vi. I (we) have the power to enter into, perform and deliver, and have taken all necessary action to authorise the entry into, performance and delivery of this SIHPL Filing Instruction and the transactions contemplated by this SIHPL Filing Instruction and the Section 155 Proposal and such authorisation is valid, complete and in full force and effect as of the date of this SIHPL Filing Instruction;

- vii. all authorisations required for the performance by me (us) of this SIHPL Filing Instruction and the transactions contemplated under it have been obtained or effected and are in full force and effect;
- viii. I (we) have not entered into any side agreements with any Released Party (as defined in the Section 155 Proposal) or related third party;
- ix. the claims in relation to which I (we) are submitting this SIHPL Filing Instruction are not encumbered (including, but not limited to, by any claim, charge, mortgage, lien, restriction, assignment, option, equitable right, power of sale, pledge, hypothecation, security interest, usufruct, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing), and there is no attachment levied on those claims, in such way that I (we) cannot (or an assignor, if applicable, could not) freely make use of my (our) claim(s) as envisaged in this SIHPL Filing Instruction; and
- x. the statements made in this SIHPL Filing Instruction and the documents accompanying it are complete, true and accurate.

Part 9. Processing of Personal Data

1. **Steinhoff International Holdings N.V. ("SIHNV")**, a company incorporated under the laws of the Netherlands, registered with the Dutch Trade Register under number 63570173, and with its registered address at Building B2, Vineyard Office Park, corner of Adam Tas and Devon Valley Road, Stellenbosch, Western Cape, South Africa, and
2. **Steinhoff International Holdings (Pty) Ltd ("SIHPL")**, a company incorporated under the laws of South Africa, registered under number 1998/003951/07, and with its principal place of business at Building B2, Vineyard Office Park, corner of Adam Tas and Devon Valley Road, Stellenbosch, Western Cape, South Africa,

both acting as joint controllers,

have appointed the Claims Administrator for the processing of the personal data (i.e. any information relating to you as an identified or identifiable individual) that you include in this SIHPL Filing Instruction for the purpose of the Steinhoff Group Settlement in which you want to participate (the "**Personal Data**").

As from the date on which the SIHNV Composition Plan and the Section 155 Proposal will become effective (the "**Settlement Effective Date**"), the Stichting Steinhoff Recovery Foundation (SRF), a foundation (to be) incorporated under the laws of the Netherlands and registered with the Dutch trade register, acting as (independent) controller, will take over from SIHNV and SIHPL and become controller of the processing of the Personal Data by the Claims Administrator while SIHNV and/or SIHPL will continue processing the Personal Data solely to the extent necessary in the context of the (execution and implementation of the) Steinhoff Group Settlement.

The Personal Data will be processed as referred to above in accordance with the EU General Regulation on Data Protection (2016/679) (the "**GDPR**") and the Dutch GDPR Implementation Act (*Uitvoeringswet Algemene Verordening gegevensbescherming*) as well as Section 14 of the Constitution of South Africa and the South African Protection of Personal Information Act 4 of 2013 and the Regulations Relating to the Protection of Personal Information, 2018 – GN R1383/2018 and the UK Data Protection Act 2018 and any other relevant data protection legislation as may be applicable (jointly the "**Data Protection Regulations**").

Purposes and legal basis of the processing of the Personal Data

SIHNV and SIHPL jointly until the Settlement Effective Date and SRF thereafter will process the Personal Data for the purposes of administering, assessing and settling claims in the context of the Settlement Fund (as defined in the SRF and Claims Administration Conditions).

Such processing of the Personal Data shall take place pursuant to the legitimate interests of SIHNV and SIHPL as well as of SRF after the Settlement Effective Date, as a legal basis, such legitimate interest being to execute and implement the terms of the SIHNV Composition Plan and the Section 155 Proposal as required by the District Court of Amsterdam, the High Court of South Africa, Western Division, Cape Town, as well as any

other relevant jurisdictions (as applicable). Such legitimate interest has been assessed in consideration of your own interests and fundamental rights. The provision of the Personal Data is required to enable you to participate in the settlement payments to be made pursuant to the Section 155 Proposal. Failure to provide the Personal Data will prevent you from participating.

In no case will the processing of the Personal Data entail any (solely) automated decision-making.

Recipients of the Personal Data

The Personal Data will be shared with the following categories of recipients for the above purposes, on a need to know basis in the context of the Steinhoff Group Settlement:

- i. third parties advising and assisting SIHNV and SIHPL as well as SRF, such as accountants, bailiffs, lawyers and notaries;
- ii. the Claims Administrator;
- iii. entities of the Claims Administrator's group, including outside the European Union;
- iv. sub-processors of the Claims Administrator;
- v. the SoP Administrator, the Supervisory Judges, the SoP Committee of Representatives and the chair of the voting meeting of the Section 155 Proposal;
- vi. the Dispute Committee;
- vii. the Deloitte Firms and the D&O Insurers; and
- viii. any national and/or international regulatory or enforcement body or court provided we are legally required to share the Personal Data or decide to do so as part of our legal defence.

As the case may be, the above recipients may act as controllers or processors. In the latter case, the processors may only process the Personal Data on behalf of SIHNV, SIHPL and (after the Settlement Effective Date) SRF based on their instructions and must comply with specific contractual obligations SIHNV, SIHPL and/or SRF are imposing on them for the protection of the Personal Data in accordance with the Data Protection Regulations.

Some of the above recipients are located in a country outside the European Economic Area which is not considered adequate from a data protection viewpoint by the EU Commission (such as the USA and South Africa). In that case, appropriate safeguards shall be implemented, such as the relevant Standard Contractual Clauses adopted by the EU Commission. You can obtain a copy of these clauses upon request using the communications referred to below.

Retention of the Personal Data

The Personal Data shall be retained as long as necessary for the administration of your claim under the Section 155 Proposal or as long as required by law. It shall be destroyed or anonymised shortly thereafter.

Your rights

You may exercise the following rights under the conditions and within the limits set forth in the Data Protection Regulations:

- i. the right to access the Personal Data as processed by SIHNV, SIHPL and SRF and, if you consider that any Personal Data is incorrect, obsolete or incomplete, to request its correction or updating;
- ii. the right to request the erasure of the Personal Data or the restriction of its processing;
- iii. the right to object, in whole or in part, to the processing of your Personal Data; and
- iv. the right to request the portability of the Personal Data, i.e. that it be returned to you or transferred to the entity of your choice, in a structured, commonly used and machine-readable format and subject to confidentiality obligations.

In addition to the above rights, if you consider that we have not processed your Personal Data in accordance with the Data Protection Regulations, you have the right to file a complaint with the competent data protection authority(ies).

Contact us

If you have any question about the processing of the Personal Data or want to exercise any of the above rights, please contact the Claims Administrator via info@steinhoffsettlement.com.

Part 10. Documentary requirements for representatives only

Are you filing this SIHPL Filing Instruction in a representative capacity?

- Yes I am filing the SIHPL Filing Instruction in a representative capacity
- No I am filing the SIHPL Filing Instruction on my own behalf

To the extent you act in a representative capacity:

Valid authorisation to submit the SIHPL Filing Instruction

You must provide documentary proof that the Contractual Claimant(s) you purport to represent has (have) validly authorised you to (amongst other things) submit their claims in the Section 155 Proceedings.

Valid authorisation to collect the distributions

To the extent the Contractual Claimant(s) you purport to represent has (have) authorised you or another third party to collect the payments that they are entitled to on their behalf, you must provide documentary proof of such (valid) authorisation.

Valid authorisation to submit the SIHPL Filing Instruction

You must provide proof that the Contractual Claimant that you purport to represent has (have) validly authorised you to provide the SIHPL Filing Instruction to the Claims Administrator, to the extent applicable.

Please include acceptable evidence of your valid authority to act on behalf of the Contractual Claimant(s) as an attachment to the email under cover of which you submit this SIHPL Filing Instruction. Required documentation may be in .jpg, .jpeg, .tif, .tiff, .gif, .png, .pdf format only and should not exceed 10 MB total per attachment across all files and a maximum of 5 files may be attached.

Valid signature of the authorisations

Please answer the following questions:

1. Is (are) the person (or persons) that authorised you to file the claims a legal entity?
 Yes No

If yes, you must provide proof that such legal entity is validly represented by the signatory of the authorisation.

2. Is (are) the person (or persons) that authorised you to submit the SIHPL Filing Instruction a legal entity?
 Yes No

If yes, you must provide proof that such legal entity is validly represented by the signatory of the authorisation.

Please include acceptable proof as an attachment to the email under cover of which you submit this SIHPL Filing Instruction. Required documentation may be in .jpg,.jpeg,.tif,.tiff,.gif,.png,.pdf format only and should not exceed 10 MB total per attachment across all files and a maximum of 5 files may be attached.

Part 11. Signature

**YOU MUST SIGN THIS SIHPL FILING INSTRUCTION ON THIS PAGE.
SUBMISSION OF THE SIHPL FILING INSTRUCTION MEANS
SUBMISSION TO THE CLAIMS ADMINISTRATOR.**

FAILURE TO SIGN WILL RESULT IN A REJECTION OF YOUR CLAIM.

You may sign this SIHPL FILING INSTRUCTION electronically and, where you do not have an electronic signature, your typed name will serve as your electronic signature.

Please state your representative capacity (for representatives only).

Representative Capacity

SIGNED AT

ON

2021

for

**CONTRACTUAL CLAIMANT'S FULL
NAME**

SIGNATURE

who warrants that he/she is duly
authorised hereto

Schedule 8
Amendments to Annexure I



ANNEXURE I – OVERVIEW OF KEY OBLIGATIONS ASSUMED BY SIHPL AND SIHNV PURSUANT TO THE SSSA

1 GENERAL

- 1.1 This Annexure sets out the key obligations assumed by SIHPL and SIHNV pursuant to the SSSA.
- 1.2 All of these key obligations are subject to certain conditions including the occurrence of the Settlement Effective Date. These obligations are therefore conditional obligations for SIHPL and SIHNV at the time of execution of the SSSA and will not be compromised by this Proposal and/or the ~~SeP~~[SIHNV Composition Plan](#).
- 1.3 The definitions used in this Annexure have the same meanings as in the Proposal, unless otherwise defined herein.

2 HIGH LEVEL OVERVIEW

- 2.1 The key conditions of the SSSA with respect to the financial contributions by the Deloitte Firms and D&O Insurers to Market Purchase Claimants and Contractual Claimants that allege claims against the Audit Firms and D&O are the following, all subject to *inter alia* the Settlement Effective Date:
 - 2.1.1 With respect to Market Purchase Claims: the Deloitte Firms will offer a settlement to ~~MPC~~[Market Purchase](#) Claimants of an amount of up to EUR 55.34 million and D&O Insurers will offer a settlement to ~~MPC~~[Market Purchase](#) Claimants of an amount of up to EUR 55.55 million, in each case conditional upon release of their claims related to the Events and Allegations by the participating ~~MPC~~[Market Purchase](#) Claimants of D&O, D&O Insurers and the Audit Firms and other Deloitte Beneficiaries. This will be offered either under the terms of a separate agreement between the Claimant Representatives and the Deloitte Firms, and a separate agreement between the Claimant Representatives and the Deloitte Firms, and a separate



agreement between the Claimant Representatives and the D&O Insurers, or in the absence thereof, SIHNV and SIHPL will negotiate a potential alternative in which the financial contributions by the Deloitte Firms and the D&O Insurers can be implemented. These amounts payable pursuant to such offers are incremental to any amounts payable under this Proposal and the SIHNV Composition Plan. The terms of these offers will be communicated by the Deloitte Firms and D&O Insurers via www.steinhoffsettlement.com. SIHNV and SIHPL will not be liable in connection with any obligation of the Deloitte Firms or D&O Insurers under their offers;

2.1.2 payment to SRF by the D&O Insurers and the Deloitte Firms by way of contribution to the settlement for the benefit of certain Contractual Claimants of up to EUR 30 million in total (EUR 15 million each) upon release by participating Contractual Claimants of D&O, D&O Insurers and Audit Firms; and

2.1.3 contribution by the D&O Insurers and the Deloitte Firms to SRF in connection with the costs of SRF in the amount of EUR 1.1 million each, plus any incremental costs to be paid to Computershare in respect of its claims administrations services to the SRF in relation to the implementation of the D&O and Deloitte settlements.

2.2 As part of the SSSA it is agreed that mutual releases will be provided as follows:

2.2.1 SIHNV and SIHPL will provide:

2.2.1.1 a (reciprocal) release to the Deloitte Firms and certain other audit firms and their related parties (the "**Audit Firm Beneficiaries**") for claims with respect to the Events and Allegations, excluding any work performed by Deloitte after 5 December 2017; and

2.2.1.2 (i) a (reciprocal) release to the D&O Insurers, (ii) a (reciprocal) release to the Settling D&Os and (iii) a conditional release to the Other D&Os (the



D&O Insurers, the Settling D&Os and the Other D&Os, together: the "**Steinhoff D&O Beneficiaries**"), for all claims in relation to the Events and Allegations,

2.2.1.3 SIHNV and SIHPL will procure that before the Settlement Effective Date its current Steinhoff Group Companies will provide the same releases to the Audit Firm Beneficiaries and Steinhoff D&O Beneficiaries that SIHNV and SIHPL will provide;

in each case on the basis that, to the extent a current Steinhoff Group Company has not provided such release before the Settlement Effective Date, SIHNV, SIHPL and ~~SIHL~~ SIH and these parties' successors and assigns (the "**Steinhoff Indemnifying Parties**") will indemnify (on the basis set out in clause 3 of this Annexure I) the Audit Firm Beneficiaries and Steinhoff D&O Beneficiaries for any claims of such Steinhoff Group Company; and

2.2.2 the following releases will be provided to SIHNV, SIHPL and certain other Steinhoff Group Companies as set out in the SSSA:

2.2.2.1 a release by the Settling ~~D&O~~ D&Os of all claims against SIHNV, SIHPL and any other Steinhoff Group Companies, other ~~D&O~~ D&Os and the Audit Firm Beneficiaries in relation to the Events and Allegations, subject to certain exceptions as set out in the SSSA; and

2.2.2.2 a release by the Deloitte Firms of all claims against SIHNV, SIHPL and any other Steinhoff Group companies and the D&O in relation to the Events and Allegations, subject to certain exceptions as set out in the SSSA;

all such releases being subject to the Settlement Effective Date and payment of the relevant amounts by the Deloitte Firms and the D&O Insurers to SRF for allocation and distribution to eligible Market Purchase Claimants and



Contractual Claimants or as contributions to the costs of SRF under the offers of the Deloitte Firms and the D&O Insurers.

- 2.3 The abovementioned financial and other commitments by the Deloitte Firms, D&O Insurers and Settling D&O are together referred to as the "**Joint Steinhoff Settlement Support**".
- 2.4 SIHNV, SIHPL and other Steinhoff Group Companies retain the right to institute or continue claims against (i) the Implicated D&Os for their alleged involvement in the Events, (ii) certain legal entities and other individuals who are alleged to be recipients of payments by Steinhoff Group Companies made in the context of the Events without legal cause, justification or due consideration ("**Third Party Entities / Individuals**") and (iii) any Settling D&O, but only where he or she is alleged to be recipient of payments, in the context of the Events, made by Steinhoff Group Companies or by third parties, which allowed such Settling D&O to gain a profit or advantage to which he or she was not legally entitled under the terms of his/her directorship (including, any secret profits). ("**Outbound Claims**"). The Steinhoff Indemnifying Parties will indemnify [\(on the basis set out in clause 3 of this Annexure I\)](#) D&O Insurers against all loss and defence costs in relation to – in summary – any such claims, as set out in more detail below.
- 2.5 Subject to the Settlement Effective Date, the D&O Insurance will be terminated (commuted) with respect to SIHNV, SIHPL and any other Steinhoff Group Companies, but will remain in place vis-à-vis other Insured Persons, but subject to reservation of rights of D&O Insurers to avoid the D&O Policy or invoke an exclusion.
- 2.6 Pursuant to the SSSA, SIHNV and SIHPL have agreed to stipulate, as terms of the ~~S155~~-Proposal and the SIHNV Composition Plan, that the Scheme Creditors and SoP Creditors, subject to *inter alia* the Settlement Effective Date:
- 2.6.1 release SIHNV, SIHPL and any other Steinhoff Group Company, the D&O Beneficiaries and the Audit Firm Beneficiaries from any and all Claims against



SIHNV, SIHPL and any other Steinhoff Group Company, D&O Beneficiaries and the Audit Firm Beneficiaries;

2.6.2 waive any demands under section 165 of the South African Companies Act 2008; and

2.6.3 withdraw all litigation against D&O Beneficiaries and Audit Firm Beneficiaries.

~~2.7 As part of the internal arrangements among Steinhoff entities in relation to the indemnities granted by SIHL as referred to in this Annexure, SIHL will agree terms with SIHPL and SIHNV that SIHL will not seek contribution or other recovery from SIHPL and SIHNV as co-sureties.~~

3 KEY INDEMNITY OBLIGATIONS ASSUMED BY SIHPL AND SIHNV PURSUANT TO THE SSSA

3.1 Subject to: (a) the occurrence of the Settlement Effective Date; (b) receipt by the SRF of the D&O Steinhoff Additional Support Offer and the D&O Insurers Market Purchase Claimants Offer:

3.1.1 SIHPL and SIHNV agree to procure prior to the Settlement Effective Date a declaration from all SIHNV subsidiaries insured under the D&O Insurance ("**Steinhoff Commuting Parties**") confirming their agreement with the commutation of the D&O Policies on the terms of the SSSA. The Steinhoff Indemnifying Parties shall indemnify the D&O Insurers for any and all claims under the D&O Policies by Steinhoff Commuting Parties for whom SIHNV and SIHPL have not procured such declaration before the Settlement Effective Date;

3.1.2 The Steinhoff Indemnifying Parties shall in accordance with the terms of the SSSA jointly and severally indemnify D&O Insurers under the Excess Layer D&O Policies for all Loss and Defence Costs or other payments under the



D&O Policies (as defined in the Primary Layer D&O Policy) (the "**Steinhoff Indemnities**") incurred after the date of the SSSA in respect of:

- 3.1.2.1 any Outbound Claims threatened or commenced by SIHPL, SIHNV, and/or any other Steinhoff Group Company ("**SH Outbound Claimants**") against any Insured Person (as defined in the SSSA); and/or
- 3.1.2.2 any Outbound Claims threatened or commenced by SH Outbound Claimants against Third Party Entities / Individuals that give rise to – in summary – any claim from any Outbound Defendant (as defined in the SSSA) to obtain recourse for or a contribution to an Outbound Claim from any D&O Beneficiary ("**Recourse Claim**"); and/or
- 3.1.2.3 Recourse Claims (whether directly or indirectly) threatened or commenced by any person or legal entity against any Insured Person (or threatened or commenced by an Insured Person) arising from and/or in connection with an Outbound Claims; and/or
- 3.1.2.4 provided that there has first been an Outbound Claim against an Outbound Defendant, any subsequent claim which has been threatened or commenced by an insolvency practitioner (including but not limited to any liquidator or trustee in bankruptcy, in any jurisdiction) of that Outbound Defendant against any Insured Person, but only in their capacity as a current or former director or officer or employee of a Steinhoff Group Company.
- 3.1.3 SIHPL and SIHNV undertake and warrant in favour of the Steinhoff D&O Beneficiaries to procure that all SH Outbound Claimants shall comply with the obligations and/or recognise the rights given to Excess Layer D&O Insurers in connection with the Steinhoff Indemnities, and the Steinhoff Indemnifying Parties shall indemnify the Steinhoff D&O Beneficiaries in respect of any breach by any SH Outbound Claimant of a term or obligation or failure to recognise the rights of Excess Layer D&O Insurers in relation thereto.
- 3.1.4 SIHNV and SIHPL agree on a joint and several basis promptly upon first written request to reimburse and indemnify the Audit Firm Beneficiaries for any



monetary payment made by them to any of the Outbound Defendants which arises out of or results from or is in connection with (directly or indirectly) any liability or payments which an Audit Firm Beneficiary incurs pursuant to a judgment ordering that any Audit Firm Beneficiary is liable and/or obliged to make a payment with respect to a Recourse Claim and that ~~judgement~~ judgment can be enforced.

- 3.1.5 Under the terms of the SSSA, Excess Layer D&O Insurers shall take all necessary steps to finalise their coverage investigations and if so advised (and in accordance with their regulatory obligations including but not limited to acting in a client's best interests and treating customers fairly) seek to apply any legitimate coverage defence. The Steinhoff Indemnifying Parties shall jointly and severally indemnify Excess Layer D&O Insurers in respect of – in summary – Excess Layer D&O Insurers' out-of-pocket costs and expenses of investigating coverage and of litigating and/or arbitrating any coverage position to the extent such costs are over and above EUR 4 million (including VAT, or other equivalent local taxes).
- 3.2 Subject to (a) the occurrence of the Settlement Effective Date, and (b) with respect to the Audit Firms and Deloitte Beneficiaries, the receipt by SRF of the Deloitte Steinhoff Additional Support Offer and the Deloitte Market Purchase Claimants ~~offer~~ Offer and (c) with respect to the D&O Beneficiaries only, the receipt by SRF of the D&O Steinhoff Additional Support Offer and the D&O Insurers Market Purchase Claimants Offer:
- 3.2.1 to the extent a current Steinhoff Group Company has not provided the ~~release~~ releases referred to in clause 2.2.1.3 above before the Settlement Effective Date, the Steinhoff Indemnifying Parties will indemnify the Audit Firm Beneficiaries and Steinhoff D&O Beneficiaries for any claims of such Steinhoff Group Company;
- 3.2.2 each of the SH Outbound Claimants shall take appropriate (procedural or other) measures to eliminate or mitigate to the best of their ability the exposure of any Steinhoff D&O Beneficiary and/or the Audit Firms and the other Deloitte Beneficiaries arising from Recourse Claims in accordance with the terms and conditions set out in the SSSA and the Annexes thereto;



- 3.2.3 SIHPL and SIHNV undertake and warrant in favour of the Steinhoff D&O Beneficiaries and the Audit Firms and other Deloitte Beneficiaries to procure that any other SH Outbound Claimants shall comply with certain obligations to *inter alia* reduce claims equal to any contribution which the Outbound Defendants could or do claim on any ground from the Steinhoff D&O Beneficiaries or Audit Firms and Deloitte Beneficiaries in the manner set out in the terms of the SSSA, and, together with the other Steinhoff Indemnifying Parties, shall indemnify the Steinhoff D&O Beneficiaries and the Audit Firms and other Deloitte Beneficiaries in respect of any breach of such obligations by any other SH Outbound Claimant; and
- 3.2.4 SIHPL and SIHNV, on a joint and several basis, shall promptly upon first written request reimburse and indemnify the Audit Firms and other Deloitte Beneficiaries for any monetary payment made by them to any of the Outbound Defendants which arises out of or results from or is in connection with (directly or indirectly) any liability or payments which an Audit Firm and other Deloitte Beneficiary incurs pursuant to a judgment ordering that any Audit Firm and other Deloitte Beneficiary is liable and/or obliged to make a payment and that judgment can be enforced;
- 3.3 ~~3.2.5~~ Subject to the occurrence of the Settlement Effective Date, SIHPL and SIHNV shall represent and warrant to the Steinhoff D&O Beneficiaries and the Deloitte Beneficiaries that to the best of their knowledge SIHNV and SIHPL are not aware of any intention or ground for ~~Pepkor Holdings Limited~~ PPH and/or Pepco Group Limited and/or any of their subsidiaries to initiate any claim against the Steinhoff D&O Beneficiaries, the Steinhoff Non-Released D&Os and/or the Deloitte Beneficiaries in relation to the Events and Allegations. If ~~Pepkor Holdings Limited~~ PPH and/or Pepco Group Limited and/or any of their subsidiaries initiates any claim against the Steinhoff D&O Beneficiaries, the Steinhoff Non-Released D&Os or the Deloitte Beneficiaries, then the Deloitte Beneficiaries and the Steinhoff D&O Beneficiaries, as applicable, are entitled to make a contribution claim against SIHNV and/or SIHPL and/or join SIHNV and/or SIHPL in such proceedings.



3.4 As part of the internal arrangements among Steinhoff entities in relation to the grant of indemnities granted by SIH as referred to in this Annexure I, SIH will –

3.4.1 as a co-grantee, undertake in favour of SIHPL that SIH will, in its capacity as a signatory to the SSSA, to discharge any such liability by way of indemnification in full; and

3.4.2 agree terms with SIHPL and SIHNV that SIH will not seek contribution or other recovery from SIHPL and SIHNV as co-sureties in respect of the indemnification referred to in clause 3.4.1 above.

Schedule 9
New Annexure J

ANNEXURE J

SUMMARY OF KEY TERMS OF S155 SETTLEMENT NOTE

Unless otherwise defined, capitalised terms in this Annexure J have the meanings given to them in the Proposal.

S155 Settlement Note	
Form	<u>Loan Note</u> : the rights of SIHPL Financial Creditors under the S155 Settlement Note being separate and independent rights capable of enforcement by each creditor subject to the terms of the S155 Settlement Note.
Issue Date	Settlement Effective Date
Issuer	SIHPL
Parties	<ul style="list-style-type: none"> (i) Issuer; (ii) Global Loan Agency Services Limited, as Agent appointed under the S155 Settlement Note; and (iii) SIHPL Financial Creditors as at the Issue Date and their permitted transferees from time to time. A list of SIHPL Financial Creditors and the initial amount owing to them under the S155 Settlement Note to be provided by the Agent to the Issuer on the Issue Date and subsequently maintained by the Agent.
Principal Amount	<p>EUR 1,581,300,000</p> <p>Payments under the S155 Settlement Note to be made in euro by SIHPL to the Agent (unless agreed otherwise) for distribution to the SIHPL Financial Creditors pro rata to their commitments from time to time.</p>
Recovery Cap	<p>The total amount paid to the SIHPL Financial Creditors in respect of the S155 Settlement Note, in respect of the Facility A1 Commitments (as defined in the SFHG 21/22 Facilities Agreement) and in respect of the SIHNV 21/22 Contingent Payment Undertaking in aggregate shall not exceed an amount (the “Recovery Cap Amount”) equal to the total of:</p> <ul style="list-style-type: none"> (i) the EUR amount equal to the principal amount of the “Facility A1 Loans” under the SFHG 21/22 Facilities Agreement as at the Issue Date (including all interest which has accrued and been capitalised since 12 August 2019 to and including the Issue Date) (the specific amount to be calculated and inserted in the S155 Settlement Note once the Issue Date is known) (“Recovery Cap Principal”); and (ii) interest (a) accrued but not capitalised on the Recovery Cap Principal since 12 August 2019 to and including the Issue Date and (b) accrued on the Recovery Cap Principal from the Issue Date (being interest accruing and compounding semi-annually at a rate of 10 per cent. per annum).

Limited recourse	The obligations of SIHPL to pay and the rights to recovery of the SIHPL Financial Creditors under the S155 Settlement Note shall at all times be limited to the net available assets of SIHPL (which shall be subject to the Reserves).
Consideration	<p>Subject at all times to the occurrence of the Settlement Effective Date, irrevocable releases and waivers by the SIHPL Financial Creditors (excluding for the avoidance of doubt any rights and remedies arising under or out of the S155 Settlement Note or its issuance) to provide full and final compromise of any and all claims and actions of the SIHPL Financial Creditors against SIHPL (whether asserted or unasserted, and whether the subject of pending proceedings and appeals or otherwise) arising under, out of or in connection with the SIHPL CPU, the convertible bonds guaranteed by SIHPL under the SIHPL/SFHG 2021 Guarantee or the SIHPL/SFHG 2022 Guarantee, or any other related matter and whether such actions, claims or disputes lie in contract, tort, restitution, equitable subrogation, statute or otherwise and whether under English law, South African law or otherwise provided that any such releases and waivers shall be of no force or effect if:</p> <ul style="list-style-type: none"> (i) the Settlement Effective Date does not occur for any reason whatsoever; or (ii) the Proposal and/or the S155 Settlement Note is successfully voided, challenged or otherwise set aside in any manner whatsoever, in which case all rights and remedies (howsoever arising) in respect of the foregoing or otherwise are reserved by the SIHPL Financial Creditors.
Maturity Date and Termination Date	<p><u>Maturity Date</u>: Bullet repayment on the Maturity Date, being the date that is 6 months after the maturity date of the Titan Receivable (approximately 5 years, 6 months and a day from the Issue Date).</p> <p><u>Termination Date</u>: the earlier of the time at which (i) the Recovery Cap is received in full; (ii) the Principal Amount has been paid to the Agent; and (iii) each Finance Party confirms in writing that the S155 Settlement Note shall terminate.</p> <p>For the avoidance of doubt, there shall be no duplication of claims by the Agent or the SIHPL Financial Creditors under the SIHPL CPU and the S155 Settlement Note and no demand shall be made, and SIHPL shall be under no obligation to pay, under the SIHPL CPU.</p>
Interest / default interest	None
Representations	<u>Repeating representations relating to</u> : status, binding obligation, no conflict, power and authority, validity and admissibility, governing law and enforcement and accounting reference date.

	<p><u>Issue Date</u> additional representations relating to: no taxes, <i>pari passu</i> ranking, no default, no security (other than as referred to in this term sheet), no borrowing from parties other than Group members.</p>
<p>Mandatory prepayment - cash sweep</p>	<p>With effect from the quarter ending 31 March 2022 a quarterly cash sweep (with no obligation on SIHPL to call on the SIHL payable) subject to:</p> <ul style="list-style-type: none"> (i) SIHPL retaining (a) the Disputed Contractual Claim Reserve for the disputed Contractual Claim of Mayfair¹ and (b) a reserve for Non-Qualifying Claims sufficient to ensure that ultimate recoveries on finally adjudicated Non-Qualifying Claims will be no less than <i>pari passu</i> with ultimate recoveries under the S155 Settlement Note (the “Non-Qualifying Claims Reserve” and, together with the Disputed Contractual Claim Reserve, the “Reserves”); (ii) the South African Sub-Group retaining an aggregate cash balance of at least €50 million at all times, plus a cash reserve for the following four SIHL preference dividends; and (iii) SIHPL retaining a cash balance (in addition to the Reserves) of at least €5 million at all times (the “SIHPL Minimum Balance”), <p>to be applied for the benefit of SIHPL’s creditors in the order of priority set out under “Ranking” below. Amounts payable under the S155 Settlement Note shall be applied so as to immediately reduce the Principal Amount.</p>
<p>Voluntary Prepayments</p>	<p>Permitted (subject to the Reserves and the order of priority set out under “Ranking” below) in full or in part at any time with not less than 5 business days’ notice (unless otherwise agreed) without call premium or redemption fee and shall be applied so as to immediately reduce the Principal Amount.</p>
<p>Ranking</p>	<p>The S155 Settlement Note shall rank in terms of right and priority of payment (on a contractual basis) junior to the NewCo 2A Loan (first ranking) and SIHNV Loan (second ranking) and <i>pari passu</i> with Intercompany Loan Claims and finally adjudicated Non-Qualifying Claims (third ranking), noting that the Disputed Contractual Claim Reserve shall remain available in full to pay the disputed Contractual Claim on a final adjudication of that claim in favour of the claimant and, if in favour of SIHPL, then the Disputed Contractual Claim Reserve shall become available to SIHPL (and available for application subject to and in accordance with the terms of the quarterly cash sweep).</p>
<p>Security & Guarantees</p>	<p><u>Security</u>: Secured by third ranking security over the Security Assets (see below) junior to claims of NewCo 2A and SIHNV under the instruments noted above and <i>pari passu</i> with the Intercompany Loan Claims and finally adjudicated Non-Qualifying Claims.</p>

¹Based on the information currently available to it, SIHPL estimates that such reserve should not exceed R162.2 million (being 28.7% of R565.8 million, the estimated claim value as of 31 August 2021 calculated by Analysis Group).

	<p><u>Security Assets:</u> Security over SIHPL (i) receivables; (ii) bank accounts (other than in respect of (a) the Disputed Contractual Claims Reserve and (b) amounts designated for the SIHPL Minimum Balance)²; (iii) all shares in its Subsidiaries from time to time; and (iv) all other assets (or classes of assets) with a value exceeding EUR 100,000, and restrictions in relation to dealings with the Titan Receivable (which shall be subject to the consent of the Simple Majority SIHPL Financial Creditors (50 per cent. by value).</p> <p><u>Guarantees:</u> None</p>
<p>Covenants</p>	<p>To consist of the following (solely in respect of SIHPL):</p> <p>(i) maintenance of authorisations, compliance with laws, required SARB/FINSURV approvals, <i>pari passu</i> ranking, holding company status and limitation on activities;</p> <p>(ii) restrictions on granting of security (negative pledge), incurrence of new financial indebtedness (including intra-group loans and certain amendments of intra group loans), entry into guarantees, in each case <i>other than</i>:</p> <ul style="list-style-type: none"> ○ those existing on the Issue Date; ○ those permitted under the existing Steinhoff Finance Documents; and ○ customary exceptions to be agreed; <p>(iii) restriction on payments, <i>other than</i>:</p> <ul style="list-style-type: none"> ○ HoldCo operating costs and expenses including litigation related expenses and any cost undertakings required; ○ fees for SIHPL advisers and SIHPL directors; ○ payments under the NewCo 2A Loan or SIHNV Loan; ○ payments out of the Disputed Contractual Claim Reserve in relation to the final adjudication or settlement of the disputed Contractual Claim of Mayfair; ○ payments in respect of Non-Qualifying Claims, including out of the Non-Qualifying Claims Reserve in respect of Non-Qualifying Claims which are (i) finally adjudicated or (ii) otherwise resolved by SIHPL, and in relation to (ii) payments subject to a permitted payment cumulative total limit of EUR 35m in respect of any claims to be settled (the “Settlement Limit”), which may be increased with the consent of Simple Majority SIHPL Financial Creditors (50 per cent. by value); ○ payments at arms’ length (subject to all other restrictions on payment); ○ customary exceptions to be agreed; and

² For the avoidance of doubt, prior to enforcement SIHPL retains full control of any pledged bank accounts.

	(iv) information/reporting by SIHPL: quarterly financial reporting and litigation updates subject to confidentiality terms consistent with those in the SFHG 21/22 Facilities Agreement.
Events of Default	<ul style="list-style-type: none"> • Non-payment subject to 5 business day cure period; • Breach of representations or other undertakings in the S155 Settlement Note (save for maintaining SARB approval) subject to 20 business day cure period; • Repudiation of S155 Settlement Note by SIHPL, or expropriation of SIHPL's assets, or unlawfulness or invalidity of S155 Settlement Note of SIHPL's performance of it by SIHPL; • Insolvency / insolvency proceedings / creditor process in respect of SIHPL only; • Cross defaults under the SFHG 21/22 Facilities Agreement, NV/SFHG 21/22 Contingent Payment Undertaking and any other financial indebtedness of SIHPL where, in each case, such financial indebtedness is in excess of EUR 100m and: <ul style="list-style-type: none"> ○ is declared or otherwise becomes due and payable prior to its specified maturity as a result of an event of default; ○ is not paid when due; ○ is cancelled or suspended by a creditor as a result of an event of default; or ○ any creditor becomes entitled to declare any such financial indebtedness due and payable. <p>An Event of Default which has occurred and is continuing can be called under the S155 Settlement Note by the giving of notice to SIHPL by the Agent acting on the instructions of the Majority SIHPL Financial Creditors (66.67 per cent by value).</p>
Transfers	<ul style="list-style-type: none"> • No transfers permitted by SIHPL • Transfers by SIHPL Financial Creditors to be permitted only if transfers are registered with the Agent and prior written notice is served on SIHPL and if consistent with the transfer provisions in the SFHG 21/22 Facilities Agreement, provided that a SIHPL Financial Creditor may only transfer, in whole or in part, its rights under the S155 Settlement Note on the condition that the transfer is made together with a proportional amount of its commitments under the SFHG 21/22 Facilities Agreement. No other transfer is permitted without the prior written consent of SIHPL.
Solvent burial	Provisions permitting and facilitating the solvent burial of SIHPL to extend to the reasonable assistance by the SIHPL Financial Creditors to achieve such a conclusion to the affairs of SIHPL following the realisation of SIHPL's assets.
Waivers & Amendments	S155 Settlement Note may be amended with the written approval of: <ul style="list-style-type: none"> (i) SIHPL;

	<p>(ii) Majority SIHPL Financial Creditors (66.67 per cent by value); and</p> <p>(iii) in respect of changes relating only to the rights or obligations of the Agent, the Agent,</p> <p>save that changes to the following terms (including related definitions) in the S155 Settlement Note will require the consent of 80 per cent by value of SIHPL Financial Creditors:</p> <ul style="list-style-type: none"> • a reduction in the Principal Amount or the Recovery Cap; • an extension to the Maturity Date or Termination Date; • the currency of the payment; and • creditors' rights, SIHPL & creditor transfers, governing law and jurisdiction, <p>and any request for an amendment or waiver to be subject to "snooze" provision of 15 business days.</p>
Governing Law	English
Jurisdiction	Courts of England, SIHPL to appoint a service process agent