

Steinhoff International Holdings N.V.
(Incorporated in the Netherlands)
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Share Code: SNH
ISIN: NL0011375019

Steinhoff Investment Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1954/001893/06)
JSE Code: SHFF
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STEINHOFF GLOBAL SETTLEMENT – IMPLEMENTATION COMMENCED

Steinhoff International Holdings N.V. ("**SIHNV**" or the "**Company**", and together with its subsidiaries "**Steinhoff**" or the "**Steinhoff Group**") announces that following its application to the Amsterdam District Court on 15 February 2021 for a "suspension of payments" procedure (*surseance van betaling*) ("**Dutch SoP**"), the Amsterdam District Court opened the Dutch SoP in respect of SIHNV on Monday, 15 February 2021.

Following the opening of the Dutch SoP, Steinhoff International Holdings Proprietary Limited ("**SIHPL**") has launched a statutory compromise process under South African law ("**S155 Scheme**") also as part of the implementation of the Steinhoff Group global settlement.

The Dutch SoP relates only to SIHNV 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 SIHNV 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. Commencement of these processes follows the separate agreements reached with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together "**Deloitte**") and Conservatorium Holdings LLC ("**Conservatorium**") announced on 14 February 2021.

Louis du Preez, Steinhoff Group CEO said: "Settlement of legacy litigation is a critical priority for the Steinhoff Group. Implementation of these processes is an important step forward, giving participating claimants the opportunity to approve the proposals and open the pathway to realise some value from their claims. A successful approval would also offer the Steinhoff Group, and all its stakeholders, the chance to move ahead and address the remaining challenges. We encourage claimants to engage with the process and back the proposals. We look forward to receiving their support."

Background to Settlement

On 27 July 2020, the Steinhoff Group released a detailed update on its efforts to resolve the ongoing complex legal claims and litigation proceedings, including details of a proposed global settlement in respect of certain of these claims ("**July Announcement**"). The Steinhoff Group has formulated proposed settlement amounts for various claimant groups in light of the characteristics of, and risks associated with, their claims, the Steinhoff Group's ability to continue trading and to maximise the asset values available to it, and the likely outcomes for participating claimants if the Steinhoff Group was unable to do so and liquidation ensued. The proposed global settlement terms also take into account the adverse impact of the COVID-19 pandemic on the value of the Steinhoff Group's underlying businesses and the effect of currency movements. The global 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 Group or any directors, officers, employees or advisors, past or present. The terms of the proposed global settlement were attached to the July Announcement and updated in October 2020 ("**October Settlement Term Sheet**").

SIHNV's proposed composition plan submitted in the Dutch SoP ("**Dutch SoP Scheme Proposal**") and SIHPL's proposal in terms of the S155 Scheme ("**S155 Scheme Proposal**") (together the "**Schemes**") are inter-conditional in that each needs to be approved for the global settlement to be implemented. Their respective terms will be available shortly at www.SteinhoffSettlement.com.

Benefits of the global settlement

The boards of SIHNV and SIHPL believe that the proposed global settlement and the proposed implementation process, through the Schemes, are in the best interests of SIHNV and SIHPL, respectively. In particular, the proposed settlement will:

- provide participating claimants with certainty of outcome and recovery relative to the cost and uncertainty associated with protracted, expensive and unpredictable court processes in pursuing their claims;
- provide consistent treatment of recovery to similar claimants to the extent possible;
- offer a more favourable and more certain recovery on their claims as compared to a liquidation of SIHNV or SIHPL;
- resolve a very substantial proportion of the material contingent liabilities faced by the Company and SIHPL as a result of the ongoing litigation;
- offer a framework for delivery of additional value in the form of contributions to the settlement by third parties if any such contributions can be agreed;
- include a debt repayment term extension from the Steinhoff Group's financial creditors under the SIHNV and SIHPL contingent payment undertakings which will be matched by the intra-group creditors;
- not affect the rights of current trade creditors;

- assist the continuing efforts to support the operating businesses in the Steinhoff Group to preserve and realise business value for the Steinhoff Group's stakeholders and employees;
- reduce the current burden on the Steinhoff Group of the very material costs spent litigating numerous legal proceedings across multiple jurisdictions; and
- reduce the proportion of Steinhoff Group management time committed to the supervision and conduct of the various legal proceedings, allowing management to concentrate on the continued improvement of the underlying businesses and development of plans to realise value and de-leverage the Steinhoff Group's balance sheet.

The prospects for SIHNV and SIHPL to continue as a going concern if the settlement is not approved remain uncertain, given the Steinhoff Group's debt maturities on 31 December 2021 and the risk of adverse judgments in certain of the various litigation claims during the course of 2021.

As noted below, the implementation of the proposed global settlement requires the requisite support of participating claimants and the implementation process is expected to take several months to be approved and completed. If and when the Schemes are approved, SIHNV will make payment of the settlement amounts to a newly incorporated foundation, named Stichting Steinhoff Recovery Foundation ("**SRF**"), following which there will be a further period of claims administration before eligible market purchase claimants ("**MPCs**") will start receiving their settlement payments in respect of the agreed claims.

Required approvals obtained

Approval from financial creditors: The October Settlement Term Sheet required the approval of SIHNV'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 the Company announced that it had received overwhelming support from the financial creditors and that, in particular, the Steinhoff Group had obtained the requisite consent from its creditors in respect of all relevant financial instruments, with the exception of the Company's "SEAG Contingent Payment Undertaking", in respect of which "all-lender support" was required but two financial institutions had voted against. As a result, SIHNV then undertook an English law scheme of arrangement ("**SIHNV 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 SIHNV Scheme on 26 and 27 January 2021. The High Court granted the sanction order in the terms sought by the Company 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 SIHNV's financial creditors in connection with further long form documents and other matters relating to the implementation of the Steinhoff settlement in accordance with the terms of the 9 October 2020 consent request.

FINSURV approval: In addition, the Steinhoff Group required approval from the South African Reserve Bank ("**Finsurv**") for the terms of the Steinhoff Group settlement proposal. SIHNV accordingly applied to Finsurv for consent to the cross-border payments to be made as part

of the proposed settlement and received such approval on 25 November 2020. The approval is valid for 12 months. Further approvals will be sought if and to the extent required in respect of the terms to be submitted under the Schemes.

The Steinhoff Group settlement proposal

The Schemes are broadly consistent with the Steinhoff Group settlement proposal as initially outlined in the July Announcement and as amended in the October Settlement Term Sheet. The terms of the Schemes will be available shortly at www.SteinhoffSettlement.com. The main features of the proposed global settlement remains as follows:

- Participating claimants are categorised into MPCs, contractual claimants and financial creditors. The Steinhoff Group will make available a total settlement consideration to MPCs of SIHNV and SIHPL and contractual claimants of SIHNV of EUR370million, of which the estimated share of MPCs will be EUR266million. MPCs at both SIHNV and SIHPL will both be settled by SIHNV through the SRF. The settlement consideration will be allocated in accordance with the details set out in the 'Allocation Plan' attached to the Schemes.
- The settlement consideration will be paid by SIHNV through SRF 50 per cent in cash and 50 per cent in shares indirectly owned by SIHNV in the South African entity Pepkor Holdings Limited ("**PPH**") at a deemed share price of ZAR15 per share, provided that SIHNV reserves the option to settle a higher proportion of the consideration in cash.
- In addition, a member of the Steinhoff Group will make a contribution to the costs of the ACGs (representatives of MPCs) of up to EUR30million, contingent on certain terms and conditions, and under the express condition that each such ACG undertakes that it will, for each of its constituents, credit the cost compensation received by it to amounts due from its constituents under the terms originally agreed between that ACG and its constituents. SIHNV will also make a contribution to the costs of SRF estimated to be up to EUR16.5million (an increase of EUR1.5million from the October Settlement Term Sheet).
- SIHNV contractual claimants will be settled at the same recovery rate as the SIHNV MPCs.
- SIHPL contractual claimants will be settled at the recovery rates and in the amounts as set out in the S155 Scheme Proposal. By way of variation to the October Settlement Term Sheet, BVI No 1499 (Pty) Limited ("**BVI**") will receive PPH shares at a deemed price per share of ZAR13 (as opposed to ZAR13.5) and the lock up period applicable to BVI and Cronje claimants will be reduced.
- The financial creditors have been asked to extend the debt maturity on the Steinhoff Group facilities to 30 June 2023, extendable with an incremental consent by a further six months. In addition, the financial creditors have been asked to waive any tort (delict) claims against the Steinhoff Group. SIHNV has agreed to grant security over its shares in Steinhoff Investment Holdings Limited in return for the debt extension.
- Intra-group creditors and trade creditors do not have their principal claims compromised.
- 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 Group and other parties on the terms set out in the Schemes.

- Not all claims against SIHNV or SIHPL are compromised under the Schemes. Certain disputed claims against SIHNV will continue to be defended on the basis that any finally adjudicated claim or agreed settlement amount will be subject to the same SIHNV recovery rate payable to MPCs and contractual claimants of SIHNV. Similarly, one disputed contractual claim against SIHPL will continue to be defended on the basis that any finally adjudicated claim or agreed settlement amount will be subject to the same recovery rate payable to contractual claimants of SIHPL. Certain other claims against SIHPL that do not qualify as either MPCs or contractual claims are not subject to the S155 Scheme Proposal at all. SIHPL will continue to dispute such claims, which will be payable in full to the extent that they are ultimately upheld by way of final adjudication or agreed 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 SIHNV which represent non qualifying claims in the October Settlement Term Sheet. As announced on 14 February 2021, SIHNV and SIHPL have entered into an agreement with Conservatorium and other margin lenders to settle such claims. Titan Premier Investment Proprietary Limited ("**Titan**") related entities are also party to that agreement. Under the terms of the agreement, on the Settlement Effective Date (as defined below) 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 SIHNV attributable to the "Upington 1" claim and Steinhoff Africa Holdings Proprietary Limited will pay on behalf of SIHPL an additional amount of EUR 61m in settlement of the remaining claims. Titan will receive the recovery at SIHPL previously announced in the October Settlement Term Sheet, subject to further agreements to be concluded between the Company, SIHPL and Titan entities.
- The July Announcement and the October Settlement Term Sheet excluded recoveries in respect of contingent assets representing potential settlement contributions by third parties. As announced on 14 February 2021 Deloitte has indicated it is willing to make an offer to MPCs of up to EUR 55.34million and to certain contractual claimants of EUR15million. 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.

Dutch SoP process

Following its opening of the Dutch SoP the Amsterdam District Court has appointed an administrator (*bewindvoerder*), who will work with SIHNV's management team. The court has also set the following key dates for submission of claims and for a creditors' meeting to vote on the Dutch SoP Scheme Proposal:

- 15 June 2021: voting record date; and
- 30 June 2021 at 10am (CET): creditor's meeting.

If the Dutch SoP Scheme Proposal is adopted at the creditors' meeting, the Dutch court will also need to confirm the Dutch SoP Scheme Proposal. The Dutch SoP Scheme Proposal will become effective if, among other conditions, the Dutch SoP Scheme Proposal becomes final and unappealable and the S155 Scheme Proposal becomes effective in accordance with its terms (i.e. the Settlement Effective Date, as to which see below).

The final date on which the Dutch SoP claimants may submit a claim to the claims administrator for purposes of receiving, if eligible and verified, a distribution under the Dutch SoP Scheme Proposal will be three months after the Settlement Effective Date (i.e. the Bar Date, as to which see below).

It is expected that (i) SIHNV contractual claimants and (ii) SIHNV MPCs (and SIHPL MPCs under the S155 Scheme Proposal) who do not dispute their claim determination will receive their settlement distribution as soon as reasonably practicable after the Bar Date (as defined within the Schemes) and notification of their claim determination. SIHNV MPCs (and SIHPL MPCs under the S155 Scheme Proposal) with disputed claim determinations will receive their settlement distributions as soon as reasonably practicable after a binding determination in respect of their claim determination has been made.

Claimants will be able to access a copy of the Dutch SoP Scheme Proposal at the docket of the Amsterdam District Court or at www.SteinhoffSettlement.com. Any updates or amendments to the Dutch SoP Scheme Proposal will be published at www.SteinhoffSettlement.com.

S155 Scheme process

A "notice of the availability" of the S155 Scheme Proposal will shortly be published on SENS, and the FSE-equivalent service, SIHNV's website (www.steinhoffinternational.com), the Steinhoff settlement website (www.SteinhoffSettlement.com) and elsewhere, including in various publications. The notice will provide, amongst other things, a link to the S155 Scheme Proposal. Any addenda or other amendments to the S155 Scheme Proposal will also be published and notified, including on the Steinhoff settlement website.

Following the notice of availability, eligible S155 Scheme claimants wishing to participate in the S155 Scheme meeting, at which such claimants will consider and vote on the S155 Scheme Proposal, must submit their claims to the claims administrator in accordance with the terms of the S155 Scheme Proposal by the date which will in due course be published and notified on www.SteinhoffSettlement.com.

It is anticipated that the claims administrator will complete the claim verification process for claimants who have submitted their claims (with the requisite supporting documentation) for the purpose of voting at the S155 Scheme meeting, around the end of April 2021, following which claimants will be notified of their claim values. The final dates will be published on www.SteinhoffSettlement.com.

SIHPL anticipates that notice of the S155 Scheme meeting will be published (in the same manner as the notice of the availability of the S155 Scheme Proposal) towards the end of May 2021, which notice will invite verified S155 Scheme claimants to participate in and vote at the S155 Scheme meeting. The S155 Scheme meeting (which will be held virtually if COVID-19

restrictions require it) is expected to take place at the end of June 2021 or beginning of July 2021. The date of the S155 Scheme meeting will be specified in the meeting notice.

Following the creditors' meetings, SIHPL will then apply to the High Court of South Africa for an Order sanctioning the approved S155 Scheme Proposal as soon as possible. If sanction is given and other conditions are met, the date on which the Schemes become effective in accordance with their terms ("**Settlement Effective Date**") will follow shortly thereafter.

The final date on which S155 Scheme claimants may submit a claim to the claims administrator for purposes of receiving, if eligible and verified, a distribution under the S155 Scheme will be three months after the Settlement Effective Date (the "**Bar Date**").

It is expected that (i) SIHPL contractual claimants will receive their settlement distributions as soon as possible after the Settlement Effective Date and (ii) SIHPL MPCs (and SIHNV MPCs and SIHNV contractual claimants under the Dutch SoP Scheme proposal) who do not dispute their claim determination will receive their settlement distribution as soon as reasonably practicable after the Bar Date (as defined within the Schemes) and notification of their claim determination. SIHPL MPCs (and SIHNV MPCs and SIHNV contractual claimants under the Dutch SoP Scheme proposal) with disputed claim determinations will receive their settlement distributions as soon as reasonably practicable after a binding determination in respect of their claim determination has been made.

Next Steps for Claimants

In addition to the information provided below, claimants are encouraged to keep up to date on key dates and steps required for both the Dutch SoP Scheme Proposal and the S155 Scheme Proposal by regularly referring to www.SteinhoffSettlement.com.

The Dutch SoP Scheme Proposal and S155 Scheme Proposal are complex documents and claimants should obtain independent legal, financial and tax advice in relation to the proposals and the claim administration. None of the Steinhoff entities nor their advisers are providing any advice to the claimants or any other party.

SIHNV Dutch SoP Claims

Claimants will be notified of further key dates in the Dutch SoP process once they have been determined by the Company and the administrator. A claimant in the Dutch SoP Scheme who wishes to attend and vote at any creditors' meeting will need to provide the administrator with the necessary supporting documentation evidencing their status as a Dutch SoP scheme claimant and provide evidence of the value of their claim.

SIHNV claimants will be able to submit their claims, in due course, by completing the relevant claim form on www.SteinhoffSettlement.com (further details in this regard are contained in the Dutch SoP Scheme Proposal).

SIHPL S155 Scheme Claims

SIHPL claimants will be able to access a copy of the S155 Scheme Proposal in the manner set out in the notice of availability of the S155 Scheme Proposal.

A SIHPL claimant who wishes to attend and vote at the S155 Scheme meeting will need to provide the claims administrator with the necessary supporting documentation evidencing

their status as an eligible S155 Scheme claimant and provide evidence of the value of their claim within the stipulated timelines.

SIHPL claimants will be able to submit their claims, in due course, by completing the relevant claim form on www.SteinhoffSettlement.com (further details in this regard are contained in the S155 Proposal).

Claims Administration

Computershare will act as claims administrator to assist with the administration of claims for the purpose of the creditors' meetings and, following approval of the Schemes, to assist the SRF with the further administration of claims and the settlement and payment process. As part of these arrangements, facilities are being made available to assist claimants with the process including the use of call centres and online assistance.

Update on Hamilton Application

As previously announced on 14 January 2021, Hamilton B.V. and Hamilton 2 B.V. (together "**Hamilton**") have brought an application in the Western Cape High Court, seeking an order declaring that claimants who are envisaged to fall within both the contractual class and the MPC class in terms of a S155 Scheme proposal, fail to constitute a 'class' within the meaning of the South African Companies Act. SIHPL has opposed the application, and has filed answering papers. Hamilton has filed replying papers, but has indicated that it wishes to file supplementary papers. No date has been set for the hearing of Hamilton's declaratory application.

Trevo Capital Ltd ("**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.

Hamilton and Trevo hold alleged claims that, by the terms of SIHPL's S155 Scheme proposal, will be treated as MPCs. The BVI and the Cronje claimants hold alleged claims that, by the terms of SIHPL's S155 Scheme Proposal, will be treated as contractual claims.

Trevo 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 Steinhoff Finance Holding GmbH (a member of the Steinhoff Group), 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 Hamilton and Trevo, and will oppose those applications and the Trevo intervention application on that basis.

Further Information

The Steinhoff Group will provide updates on key dates in due course.

Claimants will be able to review additional information and, in due course, submit their claim details on the following website: www.SteinhoffSettlement.com.

Further updates will be provided following the various processes and court hearings identified above.

The Company has a primary listing on the Frankfurt Stock Exchange and a secondary listing on the JSE Limited.

JSE Sponsor: PSG Capital

Stellenbosch, South Africa

16 February 2021