



**NOTICE OF  
ANNUAL GENERAL MEETING**

**for the year ended 30 September 2017**



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for the year ended 30 September 2017

## STEINHOFF AFRICA RETAIL LIMITED

(Registration number: 2017/221869/06) | JSE share code: SRR | ISIN: ZAE000247995 | ('STAR' or 'the Company')

Notice is hereby given that the 1st annual general meeting of shareholders of STAR will be held at 10:00 at Hotel Verde, 15 Michigan Street, Airport Industria, Cape Town, on Thursday, 15 March 2018, for the purpose of dealing with the below-mentioned business and, if deemed fit, of passing, with or without modification, the resolutions set out below ('the annual general meeting').

### Purpose and general information

The purpose of the annual general meeting is to transact the business set out in the agenda below and to discuss other matters raised by shareholders at the meeting, provided that, in the sole discretion of the chairman of the meeting, such matters directly concern the business of the Company and may lawfully be dealt with at an annual general meeting.

### Voting

As a general rule and to enhance governance, all voting at the annual general meeting will be by way of a poll and in this regard, each shareholder entitled to vote shall have one vote in respect of each ordinary share which that shareholder holds.

In order for the proposed ordinary resolutions to be adopted, more than 50% (fifty per cent) of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof by shareholders present or represented and entitled to vote at the annual general meeting. For ordinary resolutions number 5 and 6 to be adopted, at least 75% (seventy five per cent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof by shareholders present or represented and entitled to vote at the annual general meeting.

In order for the proposed special resolutions to be adopted, each special resolution must be supported by at least 75% (seventy five per cent) of the voting rights exercised on the resolution by shareholders present or represented and entitled to vote at the annual general meeting.

## AGENDA

### Ordinary business

#### 1. Presentation of annual financial statements (non-voting agenda point)

Presentation of the consolidated audited annual financial statements of the Company and its subsidiaries ('the Group') for the year ended 30 September 2017, together with the reports of the directors and the independent auditors thereon, and the audit and risk committee report.

A summarised version of the annual financial statements is enclosed and forms an integral part of this notice of annual general meeting. A complete set of the audited financial statements is available on the Company's website at [www.steinhoffafricaretail.co.za](http://www.steinhoffafricaretail.co.za) or may be obtained from the Company's registered office at 28, Sixth Street, Wynberg, Sandton, 2090 during office hours.

#### 2. Ordinary resolution number 1 – Re-appointment of auditor

The Companies Act, No. 71 of 2008 as amended ('the Companies Act'), the Listings Requirements of the JSE Limited ('JSE Listings Requirements') and the Company's memorandum of incorporation stipulate that the Company must each year at its annual general meeting appoint or re-appoint an eligible auditor.

Upon recommendation by the Company's audit and risk committee, it is proposed that shareholders pass the following resolution:

*'Resolved to and hereby re-appoint the firm Deloitte and Touche, an eligible registered auditor ('the Firm'), as the independent auditor of the Company for the ensuing financial year, and Mr D Steyn, a registered auditor and member of the Firm, as the designated auditor'*

#### 3. Special resolution number 1 – Approval of fees payable to non-executive directors

The reason for special resolution number 1 is that shareholders are required, in terms of section 66(9) of the Companies Act, to authorise, in advance, the basis of compensation and the remuneration to be paid to non-executive directors for their services as directors, by way of passing a special resolution.

The effect of this special resolution, once approved, will be that the Company will have been authorised, for the period until the next annual general meeting, to pay the below-mentioned remuneration to its non-executive directors for the services they render to the Company as directors, without requiring further shareholder approval. No fees are payable to the executive directors in respect of their services as directors.

It is recommended that the fees payable to directors for their services to the board and its committees in respect of the period ending on the date of the annual general meeting to be held on 15 March 2018, as previously approved by shareholders for such period, remain unchanged for the period up to the date of the following annual general meeting, except for the proposed additional fee to be paid for special board and/or committee meetings attended by non-executive directors (excluding travel and preparation time and not applicable in respect of the scheduled board and committee meetings).

*'Resolved that the remuneration, as set out in paragraphs 3.1 to 3.10 below, payable to non-executive directors in respect of their services as directors of the Company during the period commencing from the date of the approval of this special resolution until the date of the next annual general meeting, be and is hereby authorised by way of individual stand-alone resolutions:*

<b>Non-executive directors' fees</b>	<b>2017</b> R	<b>2018</b> R
<i>Board of directors</i>		
3.1 <i>Independent, non-executive chairman (all-inclusive fee)</i>	1 750 000	1 750 000
3.2 <i>Member*</i>	600 000	600 000
<i>Committee fees</i>		
<i>Audit and risk committee</i>		
3.3 <i>Chairman</i>	450 000	450 000
3. <i>Member</i>	250 000	250 000
<i>Human resources and remuneration committee</i>		
3.5 <i>Chairman</i>	250 000	250 000
3.6 <i>Member</i>	125 000	125 000
<i>Nomination committee</i>		
3.7 <i>Chairman</i>	25 000	25 000
3.8 <i>Member</i>	15 000	15 000
<i>Social and ethics committee</i>		
3.9 <i>Representative</i>	25 000	25 000
3.10 <i>Fee for special board and/or committee meetings</i>		4 000/hour

\* This comprises an amount of R500 000 plus an annual retainer of R100 000 for continuous informal commitments.

The abovementioned fees are exclusive of VAT.

#### 4. Ordinary resolution number 2 – Re-election of directors who retire by rotation

The Company's memorandum of incorporation and the JSE Listings Requirements stipulate that at least one third of the non-executive directors of the Company must retire by rotation at each annual general meeting. Eligible directors may offer themselves for re-election.

Upon recommendation by the Company's nomination committee, it is proposed that shareholders pass the following ordinary resolutions:

*'Resolved, by way of individual stand-alone resolutions, to and hereby elect the following directors who retire by rotation and who, being eligible, offer themselves for re-election:*

- 4.1 DM van der Merwe;
- 4.2 J Naidoo; and
- 4.3 SH Müller

Summaries of the *curricula vitae* of each of these directors are contained in Annexure A to this notice of annual general meeting.

#### 5. Ordinary resolution number 3 – Ratification of appointment made by the Company's board

The Company's memorandum of incorporation and the Companies Act stipulate that the Board has the power to fill any vacancy on the board on a temporary basis, as set out in section 68(3) of the Companies Act, provided that such appointment must be confirmed by the shareholders, in accordance with clause 26.1.2 of the memorandum of incorporation and section 68(3) of the Companies Act.

It is proposed that shareholders pass the following resolutions

*'Resolved that the appointment on 6 December 2017 of LM Lourens as an executive director of the Company and the appointment on 24 January 2018 of LJ du Preez as a non-executive director of the Company be ratified'*

*Summaries of the curricula vitae of Mr Lourens and Mr du Preez are included in Annexure A to this notice of annual general meeting.'*

#### 6. Ordinary resolution number 4 – Re-election of audit and risk committee members

The Companies Act and the JSE Listings Requirements stipulate that each public listed Company must, each year at its annual general meeting, appoint an audit committee, comprising at least three non-executive directors who are independent and, as a collective body, are suitably qualified, skilled and experienced.

The board is satisfied that the below-mentioned proposed members are suitably skilled and experienced independent, non-executive directors and that they collectively meet the criteria required to fulfil their duties, and accordingly has recommended that shareholders pass the following ordinary resolutions:

*'Resolved to and herewith re-elect, by way of individual stand-alone resolutions, the following independent, non-executive directors as members of the audit and risk committee\* of the Company until the next annual general meeting:*

- 6.1 AE Swiegers;
- 6.2 JB Cilliers; and
- 6.3 SH Müller.'

Summaries of the *curricula vitae* of each of these directors are contained in Annexure A to this notice of annual general meeting.

\* For the avoidance of doubt, any reference to the 'audit and risk committee of the Company' is a reference to the 'audit committee' as contemplated in section 94 of the Companies Act.

## Special business

### 7. Ordinary resolution number 5 – Placing of shares under the control of the directors for commercial purposes

In terms of section 38 of the Companies Act, the directors have the power to issue the authorised but unissued shares of the Company at any time. However, this power of the directors is restricted by the Company's memorandum of incorporation which does not permit the directors to issue and allot any authorised but unissued ordinary shares for cash (as contemplated in the JSE Listings Requirements) unless the shareholders have approved by ordinary resolution, either by way of a general authority to issue shares in its discretion or a specific authority for such an issue. The directors are of the view that it is in the best interests of the Company to have flexibility to issue shares (to the extent authorised) for purposes of, inter alia, capital-raising, maintaining a healthy capital adequacy ratio or for taking advantage of commercial opportunities as and when they arise. Consequently, it is proposed that shareholders pass the following resolution as an ordinary resolution:

*'Resolved that 258 750 000 (two hundred and fifty eight million seven hundred and fifty thousand) of the Company's authorised but unissued ordinary shares of no par value be and they are hereby placed under the control of the directors and that the directors herewith be given a general authority to allot and issue such shares for cash at their discretion, provided that:*

- the board of directors of the Company pass a resolution to issue the shares;*
- this authority shall be valid only until the Company's next annual general meeting or for 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;*
- the shares to be issued shall be of a class already in issue (or securities convertible to such a class);*
- the shares may be issued to public shareholders only (as defined in the JSE Listings Requirements) and not to related parties;*
- the number of shares that may be issued shall not exceed: 258 750 000 (two hundred and fifty eight million seven hundred and fifty thousand) ordinary shares of no par value (including securities that are convertible into the Company's ordinary shares of no par value equal to 12.57% (twelve comma five seven per cent) of the issued ordinary shares as at the date of this notice);*
- the maximum discount at which such shares may be issued, is 10% (ten per cent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date of pricing between the Company and the party subscribing for the shares;*
- for this ordinary resolution to be adopted, at least 75% (seventy five per cent) of the voting rights exercised on this resolution must be exercised in favour thereof by shareholders present or represented and entitled to vote at this annual general meeting;*
- all other relevant provisions regarding the issuing of shares as set out in the JSE Listings Requirements, the Companies Act and the Company's memorandum of incorporation are fulfilled;*

### 8. Special resolution 2 – General authority to repurchase shares issued by the company

*Reason for and effect of special resolution*

The reason for this special resolution number 2 is that the Company may not acquire its own shares unless the shareholders at a general meeting have in advance approved either a specific or general mandate for such a repurchase of shares.

The effect of this special resolution, once approved, is that the directors will have authority to implement a general repurchase of shares in accordance with the provisions of the Companies Act, the Company's memorandum of incorporation and the JSE Listings Requirements.

A repurchase of shares is not contemplated at the date of this notice of annual general meeting, however, the board believes it to be in the best interests of the Company to have flexibility to repurchase shares as and when appropriate opportunities arise. Accordingly, the board may avail itself of this authority. Should the Company decide to repurchase shares, it will not do so unless, in the opinion of the directors, all of the prescribed statutory solvency, liquidity and capital adequacy requirements are capable of being fulfilled.

Consequently, it is proposed that shareholders pass the following resolution as a special resolution:

*'Resolved that the repurchase by the Company of shares issued by it, on such terms and conditions as may be determined by the board of directors of the Company, and the acquisition by any subsidiary of shares issued by the Company, on such terms and conditions as may be determined by the board of directors of any such subsidiary Company, be and is hereby authorised as a general approval in terms of the JSE Listings Requirements, provided that:*

- such repurchase is permitted by and is in accordance with the provisions of the Companies Act, the JSE Listings Requirements and the Company's memorandum of incorporation;*
- the general authority shall be valid until the next annual general meeting of the Company or for a period of 15 (fifteen) months from the date of passing of this special resolution (whichever period is shorter);*
- this authority be limited to a maximum of 20% (twenty per cent) of the shares issued in that class in one financial year, provided that subsidiaries of the Company may not, collectively, at any time hold more than 10% (ten per cent) in the aggregate of the number of issued shares in the Company;*
- repurchases shall not be made at a price more than 10% (ten per cent) above the weighted average of the market value of the securities traded for the 5 (five) business days immediately preceding the date on which the transaction is effected;*
- the repurchase of securities is implemented through the order book operated by the JSE trading system (open market) and done without any prior understanding or arrangement between the Company and the counterparty;*
- the Company will, at any point in time, appoint only one agent to effect the repurchase(s) on the Company's behalf;*
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements, unless implemented in accordance with a repurchase programme which was in place prior to the prohibited period and which programme has been submitted to the JSE in writing and the terms of such repurchase programme have been determined prior to the commencement of the prohibited period, and the repurchase programme will be executed by an independent third party appointed by the Company prior to the commencement of the prohibited period;*

- when 3% (three per cent) of the initial number, i.e. the number of shares in issue at the time that the general authority from shareholders is granted, is cumulatively repurchased and for each 3% (three per cent) in aggregate of the initial number acquired thereafter, an announcement shall be made in accordance with the JSE Listings Requirements; and
- the directors shall have passed a resolution, authorising any repurchase and confirming that the Company (and its subsidiaries, if applicable) has satisfied the solvency and liquidity test as required by the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the Group.'

*Information and statement relating to this special resolution*

In accordance with paragraph 11.26 of the JSE Listings Requirements, the attention of shareholders is drawn to:

- the importance of this resolution - should shareholders be in any doubt as to which action to take, they are advised to consult appropriate independent advisors; and
- the following information, details of which are reflected in Annexure B to this notice of annual general meeting regarding the:
  - major shareholders of the Company;
  - number of authorised and issued shares in the Company.

*Directors' statement*

The directors whose names are given in Annexure B to this notice of annual general meeting collectively and individually accept full responsibility for the accuracy of the information given in this notice and certify that, to the best of their knowledge and belief:

- there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made;
- confirm that there have been no material changes in the financial or trading position of the Group since the publication of the financial results for the year ended 30 September 2017 and the date of this notice; and
- that, after having considered the effect of a maximum repurchase of shares, for a period of 12 (twelve) months after the date of this notice of annual general meeting, in their opinion:
  - the Company shall satisfy the solvency and liquidity test as contemplated in the Companies Act;
  - the Company and the Group will be able to pay its debts as they become due in the ordinary course of business;
  - the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will be equal to or in excess of the liabilities of the Company and the Group;
  - the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
  - the working capital of the Company and the Group will be adequate for ordinary business purposes.

## **9. Ordinary resolution number 6 – General authority to issue convertible instruments**

The directors of the Company are seeking a general authority from shareholders to create and issue convertible instruments subject to the applicable provisions of the Companies Act, the Company's memorandum of incorporation and the JSE Listings Requirements. Consequently, it is proposed that shareholders pass the following resolution as an ordinary resolution:

*'Resolved that the directors of the Company be and are hereby authorised, for the period until the next annual general meeting of the Company or for 15 (fifteen) months from the date of the passing of this resolution, whichever is the earlier, to issue convertible debentures, debenture stock or other convertible instruments in the capital of the Company with a term of not less than 42 (forty two) months and not more than 84 (eighty four) months, or to create and issue ordinary shares of no par value in the Company in settlement of any convertible debentures, debenture stock, or other convertible instruments issued by a subsidiary of the Company, up to a maximum of 175 000 000 (one hundred and seventy five million) of the Company's ordinary shares of no par value, subject to the applicable provisions of the Company's memorandum of incorporation, the JSE Listings Requirements and section 41 of the Companies Act, and further subject to a conversion premium of not less than 20% (twenty per cent) above the volume-weighted average traded price of the shares in the Company for the 3 (three) trading days prior to pricing, and to such other conversion and other terms and conditions as the directors may determine in their sole and absolute discretion; it being recorded further that any additional ordinary shares in the capital of the Company that may arise from any adjustment to any conversion price of any existing convertible bonds, issued by the Company or any subsidiary, convertible into the capital of the Company, may be procured from the authority granted in terms of this ordinary resolution number 6.'*

Note:

For this ordinary resolution to be adopted, it must be supported by at least 75% of the voting rights exercised on the resolution by shareholders present or represented and entitled to vote at the annual general meeting.

## **10. Ordinary resolution number 7 – Non-binding endorsement of the Company's remuneration policy and implementation report (non-binding advisory vote)**

The King Report on Governance for South Africa 2016 ('King IV') recommends that shareholders, by way of a separate non-binding advisory vote, consider the remuneration policy and approach of the Company every year to inform themselves how staff members and senior executives within STAR are remunerated, and to express their views as to whether they consider the Company's remuneration approach appropriate. The Company's remuneration policy and implementation report are set out in Annexure C to this notice of annual general meeting.

Upon recommendation by the Company's remuneration and human resources committee, it is proposed that shareholders pass the following resolution by way of stand-alone non-binding advisory votes:

*'Resolved to and herewith endorse, by way of stand-alone non-binding advisory votes, the Company's:*

*10.1 Remuneration Policy ; and*

*10.2 Remuneration Implementation Report*

*as set out in Annexure C to this notice of annual general meeting.'*

## **11. Special resolution number 3 – General Authority to provide financial assistance**

*Reason for and effect of special resolution*

In order to achieve its strategic goals, the Company has, at all relevant times in the past, provided direct or indirect financial assistance to its subsidiaries, and to related and inter-related companies within the Group, as well as for purposes of Black Economic Empowerment-related and other transactions for the benefit of the Company, which financial assistance includes, inter alia, the granting of loans, providing security and guaranteeing of debt.

The reason for this special resolution number 3 is that the Company needs to continue with the aforementioned business practices. To this end, authority will be sought from shareholders, authorising the directors to provide financial assistance (as contemplated in sections 44 and 45 of the Companies Act) to a general category of recipients, namely the Company's subsidiaries and other related and inter-related companies within the Group, but explicitly excluding the directors and prescribed officers of the Group from receiving financial assistance from the Company.

The effect of this special resolution, once adopted, is that the directors of the Company will be authorised to provide financial assistance to its subsidiaries and related and inter-related companies (as defined in the Companies Act) within the Group for the purpose of, inter alia, acquiring any option, or any securities, or any convertible instruments as contemplated in section 44 of the Companies Act, and for granting loans, providing security, guaranteeing debt and subordinating its claims on shareholders' loan accounts as contemplated in section 45 of the Companies Act. Consequently, it is proposed that shareholders pass the following resolution as a special resolution:

*'Resolved that the Company may provide direct or indirect financial assistance to and in favour of any subsidiary and/or any related and inter-related Company within the Group (being a general category of recipients as contemplated in sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act):*

- generally for the purpose of funding or assisting with any capital or operational expenditure of such subsidiary or Company;*
- in connection with funding and facility agreements and debt capital and domestic medium term note programmes with financing, banking and investment institutions in respect of facilities and funding afforded to the Group;*
- by way of subordinating its claims held on shareholders' and/or inter-Company loan account; and/or in connection with the subscription of any option, or any securities or convertible instruments, issued or to be issued by the Company or by a related or inter-related Company within the Group, or for the purchase of any securities or convertible instruments of the Company or of a related or inter-related Company within the Group, provided that:*
  - the directors of the Company shall in each instance adopt a relevant resolution approving the provision of financial assistance;*
  - immediately after having provided any financial assistance, the Company shall satisfy the solvency and liquidity test as contemplated in the Companies Act and, where necessary, shall conduct such further tests as may be necessary;*
  - the terms under which the financial assistance is to be given in respect of any subsidiary, related or inter-related Company within the Group, shall be fair and reasonable to the Company;*
  - the Company shall fulfill all conditions or restrictions in respect of the granting of financial assistance as set out in the Company's memorandum of incorporation;*
  - no financial assistance shall be provided to directors and prescribed officers of the Group.'*

## **12. General**

To transact such other business as may be transacted at an annual general meeting.

### **Authority**

Any director or secretary of the Company, for the time being, be and is hereby authorised to take all such steps, sign all such documents and to do all acts, matters and things on behalf of the Company as may be necessary to give effect to the special and ordinary resolutions passed at this annual general meeting.



By order of the board

Steinhoff Secretarial Services Proprietary Limited  
**Company secretary**

26 January 2018

## Record dates and other important notices

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ('the share register') for purposes of being entitled to receive this notice is Friday, 26 January 2018.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this annual general meeting is Friday, 9 March 2018, with the last day to trade being Tuesday 6 March 2018.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly bring a copy of their driver's licence, identity document or passport to the annual general meeting. If in any doubt as to whether any document will be accepted as satisfactory proof of identity, participants should in advance contact the transfer secretaries for guidance.
4. A shareholder entitled to attend and vote at the annual general meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. A Form of Proxy, depicting the relevant instructions for its completion, is enclosed for use by a certificated or dematerialised shareholder with 'own name registration' who wishes to be represented at the annual general meeting. Completion of a Form of Proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.
5. Duly completed Forms of Proxy, together with the documents conferring the authority to the signatory and under which it is signed (if any), must be forwarded to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, to the address stated below so as to reach them by no later than on Tuesday, 13 March 2018, at 10:00, provided that any Form of Proxy not delivered to the Transfer Secretary by this time, may be handed to the chairman of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting
6. A shareholder, who has dematerialised his/her shares (other than those with 'own-name registration'), who wishes to attend the annual general meeting, should instruct his/her Central Securities Depository Participant ('CSDP') or broker to issue him/her with the necessary written authority to attend the annual general meeting in terms of the custody agreement entered into between the shareholder and his/her CSDP or broker.
7. A shareholder, who has dematerialised his/her shares (other than those with 'own name registration') who is unable to attend the annual general meeting and wishes to be represented at the annual general meeting, must provide his/her CSDP or broker with his/her voting instructions in terms of the relevant custody agreement entered into between him/her and the CSDP or broker.
8. A shareholder present in person, by proxy or by authorised representation shall, on a show of hands, have one vote, and on a poll, shall have one vote in respect of each share held. However, it is the intent, from a corporate governance perspective, that all voting at the annual general meeting would take place by way of a poll.
9. Shareholders of the Company wishing to participate in the annual general meeting by means of electronic participation, must make application in writing to the Company secretary, with a copy to the transfer secretaries (at the respective addresses stated below), at least five business days prior to the date of the annual general meeting so that arrangements can be made for their participation in the meeting. Shareholders will have to provide details as to how they or their representatives may be contacted to participate electronically, and each shareholder (or its representative) must provide reasonably satisfactory identification for verification in terms of section 63(1) of the Companies Act. The costs of accessing any means of electronic participation will be borne by the shareholder so accessing the electronic participation, and such shareholder shall not be able to vote electronically. The Company reserves the right not to provide for electronic participation at the annual general meeting in the event that it may be impractical to do so.

Company secretary address  
28, Sixth Street Wynberg  
Sandton  
2090

(PO Box 1955, Bramley, 2018)  
Telefax: +27 11 445 3094/+27 21 808 0794

Transfer secretaries address  
Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank,  
2196, South Africa

(PO Box 61051, Marshalltown, 2107, South Africa)  
Tel: +27 11 373 0033  
Facsimile: +27 11 688 5238  
Email: proxy@computershare.co.za

## Annexure A

### Curricula vitae

#### 1. Refer to agenda point 4 – Ordinary resolution number 2

Directors who retire by rotation in terms of the memorandum of incorporation of the Company and who offer themselves for re- election:

**Jayendra Naidoo (56)**

BProc

Independent non-executive chairperson

Member of the human resources and remuneration committee

Chairman of the nomination committee

Jayendra was appointed as the independent non-executive chairperson of STAR on 18 August 2017. As a full-time trade unionist in his youth, he played a significant role in the negotiation of the National Peace Accord in 1991, as well as in the establishment of a network of peace committees throughout South Africa. In 1995 he became the first executive director of NEDLAC, serving until 1998. In 2000, he co-founded the J&J Group and is the founder of the Lancaster Group. Jayendra has served on several committees and boards, including the board of Pepkor Holdings Proprietary Limited. In 1997, Jayendra was nominated by the World Economic Forum as a Global Leader of Tomorrow.

**Steve Hilgard Müller (55)**

BAcc (Hons), CA(SA), Sanlam EDP

Independent non-executive director

Chairman of the remuneration committee

Member of the audit and risk committee

Steve was appointed to the STAR board as an independent non-executive director on 18 August 2017. Steve worked at KPMG until 1992, after which he worked as a senior manager at Rand Merchant Bank Limited until 1994. In 1995 he joined Genbel Investments Limited inter alia as an executive director of Gensec Bank Limited, heading the Investment Banking division from 1999 to 2004. Over the following 13 years he held various positions within that group. He has been appointed as a non-executive director on the boards of several companies. Steve was appointed as an independent non-executive director of KAP Industrial Holdings Limited in 2012. He has chaired or served on the audit and risk committees and the human resources and remuneration committees of several companies over the last 22 years.

**Daniël Maree (Danie) van der Merwe (59)**

BCom, LLB

Non-executive director

Member of the nomination committee

Member of the human resources and remuneration committee

Danie was appointed as a non-executive director of the STAR on 1 July 2017. He was admitted as an attorney of the High Court of South Africa in 1986 and practised as an attorney specialising in the commercial and labour law fields. In 1990, Danie joined the Roadway Transport Group and was instrumental in developing the strategic direction and growth of this group. In early 1998, following the merger of Roadway Transport Group with Steinhoff Africa, he joined the Steinhoff group and, in 1999, was appointed as a director of Steinhoff International Holdings Limited. He previously acted as chief executive officer for Steinhoff's Southern Hemisphere operations and was appointed as group chief operating officer in 2013. Danie holds several other appointments within the Steinhoff group of companies and currently serves as a non-executive director of KAP Industrial Holdings Limited.

#### 2. Refer to agenda point 5 – Ordinary resolution number 3: Ratification of appointment made by Company's board

**Leon Lourens (51)**

BCom (Marketing)

Chief executive officer

Leon was appointed as the chief executive officer of Steinhoff Africa Retail (STAR) on 6 December 2017. He completed a BCom Marketing degree before joining PEP in 1990. He served as a director from 2004 and became managing director of PEP SA in 2011. In 2016, Leon was appointed as Group MD: Pepkor Africa and he became chief operating officer of STAR at its listing on 20 September 2017. He has more than 27 years' experience in retail, with most of it stemming from store operations.

**Louis du Preez (48)**

BCom, LLB

Non-executive director

Louis was appointed to the STAR board as a non-executive director on 24 January 2018. He qualified as an attorney of the High Court of South Africa in 1997 after completing his articles. Louis joined Jan S de Villiers and was appointed a partner of the firm in 1998. With the merger of Werksmans Attorneys in 2009, he became a member of the national executive committee of the combined firm and served as such until early 2017. While practising as an attorney, he advised clients on a variety of corporate and commercial matters. Louis was appointed to the board of KAP Industrial Holdings Limited on 1 October 2017 as a non-executive director. He joined the Steinhoff group as general counsel in mid-2017 and was appointed as Steinhoff's commercial director on 19 December 2017

**3. Refer to agenda point 6 – Ordinary resolution number 4: Re-election of audit and risk committee members****Steve Hilgard Müller (55)**

BAcc (Hons), CA(SA), Sanlam EDP

Independent non-executive director

Chairman of the remuneration committee

Member of the audit and risk committee

Steve was appointed to the STAR board as an independent non-executive director on 18 August 2017. Steve worked at KPMG until 1992, after which he worked as a senior manager at Rand Merchant Bank Limited until 1994. In 1995 he joined Genbel Investments Limited inter alia as an executive director of Gensec Bank Limited, heading the Investment Banking division from 1999 to 2004. Over the following 13 years he held various positions within that group. He has been appointed as a non-executive director on the boards of several companies. Steve was appointed as an independent non-executive director of KAP Industrial Holdings Limited in 2012. He has chaired or served on the audit and risk committees and the human resources and remuneration committees of several companies over the last 22 years.

**Johann Bernard Cilliers (58)**

BAcc (Cum laude), BAcc Hons, CA(SA)

Independent non-executive director

Member of the audit and risk committee

Member of the nomination committee

Johann was appointed to the STAR board as an independent non-executive director and as a member of STAR's audit and risk committee on 18 August 2017. He was subsequently appointed to the nomination committee on 10 January 2018. Johann completed his articles at PwC in 1988, following which he was appointed as financial director of Hicor Limited. In 1990 he joined Langeberg Foods Limited as group financial manager, serving on the board of that company from 1991 to 1998 as financial director. In 1998, Johann joined the Pepkor group as operations director of PepSA and as an executive director. In 2004 he was appointed as an executive director of Pepkor Retail Limited and, until 2011, served on the group executive committee of Pepkor Retail Limited in various capacities. In 2011 he relinquished his executive role within the Pepkor group and was appointed as a non-executive director of Pepkor Holdings Proprietary Limited, which non-executive position he held until the acquisition of the Pepkor group by Steinhoff in 2015. Johann currently manages various private investments.

**Allen Edwin Swiegers (56)**

CA(SA)

Independent non-executive director

Chairman of the audit and risk committee.

Allen was appointed to the STAR board as an independent non-executive director on 18 August 2017. Allen retired from Deloitte in 2016 after 33 years at the firm. He completed his articles at Deloitte in 1986 and worked at Deloitte in Dallas, USA, from 1987 to 1989. He was admitted to the partnership in 1991 and became the office managing partner of the Pretoria office in 2000. He was appointed as chief operating officer of Deloitte Southern Africa on 1 June 2006 and, after integration of the Deloitte Africa practices (15 countries), as the chief operating officer (COO) of Deloitte Africa, a position he held until his resignation as COO on 31 May 2016. He was a partner in Deloitte for 25 years of which the last 10 years were served as COO. He served on the Deloitte Africa Board for 13 years and was a member of the Deloitte Africa Exco for 11 years. He is currently the chairman of the board of Atterbury Property Fund Proprietary Limited.

## Annexure B

### Major shareholders of the company as at 30 September 2017

Breakdown of major and institutional shareholders beneficially holding 3% or more of the company's issued shares	Number of ordinary shares of no par value	% of issued shares
Steinhoff International Holdings Limited*	2 650 000 000	76.81
Lancaster 101 (Pty) Ltd	302 439 024	8.77

\* Shares held via group companies

### Shares of the company as at 30 September 2017

#### ORDINARY STATED SHARE CAPITAL

Authorised	2017 Number of shares
Ordinary shares of no par value	20 000 000 000
Non-redeemable, non-cumulative, non-participating preference shares of no par value	5 000 000
Non-redeemable, cumulative, non-participating preference shares of no par value	2 500 000
Redeemable, non-cumulative, non-participating preference shares of no par value	2 500 000
Class A1 redeemable, cumulative, non-participating preference shares of no par value	10 000 000
Class A2 redeemable, cumulative, non-participating preference shares of no par value	10 000 000
Class A3 redeemable, cumulative, non-participating preference shares of no par value	10 000 000
Class A4 redeemable, cumulative, non-participating preference shares of no par value	10 000 000
Class A5 redeemable, cumulative, non-participating preference shares of no par value	10 000 000

#### Stated share capital

Ordinary shares in issue prior to 20 September 2017	2 700 000 000
Ordinary shares issued during the year	750 000 000
Ordinary shares in issue on 30 September 2017	3 450 000 000

During the period under review, the issued share capital of the Company was increased from 2 700 000 000 to 3 450 000 000 Ordinary Shares by the allotment and issue on 20 September 2017, of 750 000 000 Ordinary Shares in terms of a private placement ('the Private Placement') as more fully described in the Pre-Listing Statement published on 4 September 2017 ('the Pre-listing Statement') which is available on the Company's website at [www.steinhoffafricaretail.co.za](http://www.steinhoffafricaretail.co.za).

### Directors of the Company as at the date of this notice

#### Executive directors

Leon Marius Lourens (chief executive officer)  
Riaan Gustav Hanekom (chief financial officer)

#### Non-executive directors

Daniel Maree van der Merwe (member: Human Resources and Remuneration Committee and Nomination Committee)\*  
Jacob Daniel Wiese  
Louis du Preez\*\*

#### Independent non-executive directors

Jayendra Naidoo (chairperson: Board, chairperson: Nomination Committee; member: Human Resources and Remuneration Committee)  
Johann Bernard Cilliers (member: Audit and Risk Committee and Nomination Committee)\*\*\*  
Stephanus Hilgard Müller (chairperson: Human Resources and Remuneration Committee; member: Audit and Risk Committee)  
Heather Joan Sonn (representative Social and Ethics Committee)  
Allen Edwin Swiegers (chairperson: Audit and Risk Committee)

\* Mr DM van der Merwe replaced Mr MJ Jooste, who resigned from the board on 5 December 2017, on the board and as a member of the Human Resources and Remuneration Committee.

\*\* On 6 December 2017 Mr AB la Grange stepped down as chief executive officer and was replaced in that position by Mr LM Lourens. Mr la Grange remained on the board as a non-executive director until 24 January 2018, on which date he resigned. He was replaced on the same date by Mr LJ du Preez.

\*\*\* On 10 January 2018 Mr V P Khanyile resigned from the board. Mr JB Cilliers replaced Mr VP Khanyile as a member of the Nomination Committee.

## **Annexure C**

### **Steinhoff African Retail Limited**

#### **('STAR' or the 'company')**

#### **Remuneration policy**

The Human Resources and Remuneration Committee ('the committee') has implemented a remuneration policy, which has been approved by the board and shareholders, in order to assist in the achievement of the group's strategy and objectives and to attract, motivate, reward and retain employees in an ethical and responsible manner.

The King IV Report on Corporate Governance 2016 ('King IV') requires that the remuneration policy of the company, applied group-wide, prescribe that the group remunerate fairly, responsibly and transparently, so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The remuneration policy of the company is designed to align with this principle, based on the following:

- Remuneration practices throughout the group at all levels are aligned with the applicable business strategies and objectives.
- Remuneration is set at levels that are competitive and appropriate within the specific markets and industries in which the group operates.
- Incentive-based remuneration, applicable to management involved in determining and implementing the strategy of the group and/or different businesses in the group, is determined with reference to demanding performance targets with due regard for the sustainable well-being of the group over the short, medium and long term but also taking into account the different drivers and targets for each of the respective business units. Incentive-based remuneration applicable to other staff levels is to be introduced where appropriate and this will be performance enhancing. Business specific remuneration committees have been established in order to ensure the execution of directives and to cater for industry specific remuneration drivers, including business specific incentive-based remuneration.

The remuneration policy and relevant detail and elements will be presented to shareholders at the company's annual general meeting for their non-binding approval.

#### **Elements of remuneration**

The remuneration policy covers three elements of remuneration, namely:

- total cost to company base salary, applicable to all staff;
- short term incentives (typically annual incentives), applicable to management who are involved in determining and implementing the strategy of the group or divisions; and
- longer-term incentives applicable to management who are involved in determining and implementing the strategy of the group or different businesses in the group.

The committee seeks to ensure an appropriate balance between the fixed and performance-related elements of managerial remuneration, and also between short-term financial performance and longer-term sustainable stakeholder value creation. The committee is responsible for ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the group and directives on levels of remuneration are provided to the business specific remuneration committees.

The committee considers each element of remuneration relative to the market and, in determining its quantum, takes into account the performance of the group and/or relevant business, the management team and the individual concerned.

#### **Total cost to company base salary ('salary')**

The salary element of remuneration incorporates all guaranteed cash benefits. Its purpose is to provide a competitive level of remuneration for each level of employee. The salary is subject to annual review. It is intended to be competitive with reference to market practice in companies comparable in size, market sector, business complexity and geographic location. Company performance, individual performance and changes in responsibilities are also taken into consideration when determining annual base salaries.

Benefits provide security for employees and typically include membership of a retirement fund and medical aid scheme, where employees have the flexibility in both offerings to decide on the level of their participation in both benefits.

Remuneration and other benefits for bargaining council and related levels of employees are set through a process of collective bargaining with the major labour unions and employee representative bodies active in the various industries and countries in which the group operates.

Payments on termination of employment or office, sign-on, retention and restraint payments, commissions and allowances are limited to the contractual and legal obligations of the company.

#### **Short term incentives ('STIs')**

STIs payable in cash will be implemented to incentivise applicable management to achieve the group's and/or businesses' short and medium-term targets/goals.

STIs of the executive committee will be based on the achievement of group or relevant business financial targets, as well as strategic and personal performance objectives as approved by the committee. Financial targets will be set, taking into account various factors, including the prevailing economic environment, relevant market conditions in the sectors within which the group operates as well as the group's objective of improving its growth in earnings to shareholders over time. STIs of the individual business units' executive committee will be based on the unit's achievements and performance objectives, and will be approved by the units' CEO and the company CFO and CEO.

These objectives will be set after taking into account that management is obliged to grow the group's assets on a sustainable basis. Relevant performance targets may be adjusted to account for material unbudgeted acquisitions or capital expenditure approved according to the group's approval framework during the financial year.

Appropriate objectives and metrics relating to the achievement of STI payments will be determined by the executive committee of the Company and approved by the committee. Objectives will include:

1. Achievement of operational and financial growth objectives
2. Implementation of key strategic initiatives related to the strategic development and competitive positioning of the group or relevant business including but not limited to:
  - Implementation of risk management policy and framework;
  - Successful conclusion and implementation of strategic mergers;
  - Implementation of long term growth initiatives;
  - Other criteria such as BEE ratings, health and safety record, internal audit ratings, and succession planning.

Should the first component (operational and financial growth objectives) not be met, no STI payment will be payable in respect of the second component and progress against the relevant objectives is to be monitored on an ongoing basis to ensure that, where required, corrective action to ensure achievement of all objectives is implemented.

STI allocations to the group's senior management will be determined by the committee.

The performance objectives for individual businesses in the group will be assessed, taking into account their specific industry, identified peers and/or competitors and the maturity of the business. The executive management shall perform regular reviews to ensure that the performance measures and the targets set are appropriate within the economic context and the performance expectations for the relevant businesses or group.

The committee retains the discretion to make adjustments to STI payments, taking into account both group performance and the overall and specific contribution of the management teams to meeting the group's objectives.

### **Longer-term incentives ('LTIs')**

The company competes for management skills and talent in the African marketplace and its approach to remuneration takes account of the need to retain key management over the longer term. LTIs are awarded with the primary aim of promoting the sustainability of the company through business cycles, aligning performance of key management with the interests of key stakeholders and retaining key management over the longer term. Appropriate LTI schemes will be considered by the executive management and approved by the committee.

The allocation and target criteria of incentives will be at the discretion of the committee, and will apply to individuals who are key to determining and implementing the long-term business strategy at group and/or different business levels. Benchmark performance criteria will therefore aligned with the group's long-term strategic priorities. The allocation and quantum of LTIs will be based on the responsibility and salary packages of relevant individuals. LTIs will either be a performance related share rights scheme or a performance related cash settled scheme, or a combination of both where applicable.

A performance related share rights scheme has been adopted for senior employees (or young identified talent) of the group in managerial and leadership roles as recommended by the relevant employer companies and approved by the committee on an annual basis. Share rights will vest only when, over the relevant three-year period, the group has achieved its cumulative targets set by the committee relating to growth, cash generation, returns and sustainability of the relevant employer company and the group. Participants of the cash-settled scheme are required to achieve their own business's cumulative targets, over the same period in order to qualify for the LTI but group achievement of group targets will also be required.

Scheme rules, the application thereof and quantum of allocations will be regularly reviewed by the committee to ensure equity and compliance with legislative and regulatory requirements

### **Fees payable to non-executive directors**

The committee shall recommend the payment of fees payable to the non-executive directors of the company, having due regard to fees payable to directors of comparable groups and to additional responsibilities and committee memberships. The committee's recommendation shall be reviewed by the board for submission to shareholders for approval at each annual general meeting.

### **Shareholder approval**

In addition to the requirement to obtain shareholder approval for the payment of fees to the non-executive directors, the remuneration policy and implementation report will be tabled each year for a separate non-binding advisory vote by shareholders at the annual general meeting. In the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights exercised, in order to address legitimate and reasonable concerns, the committee will:

- issue an invitation to dissenting shareholders to engage with them; and
- provide for the manner and timing of such engagement.



SH Müller  
Chairman: Steinhoff Africa Retail Limited Human Resources and Remuneration Committee

## Implementation report

During the 2017 financial year the remuneration policy of the group was applied with no deviations.

The base salaries of executive management were benchmarked by an external service provider, with reference to market practice by companies comparable in size, market sector, business complexity and geographic location, to ensure that they provide a competitive level of remuneration. Base salary increases were awarded based on inflation, except where there were changes in responsibilities and roles that warranted higher increases.

Bonuses are determined in line with the remuneration policy.

For the period ended 30 September 2017, the following can be reported in terms of performance:

1. STAR reported strong growth of 13% in revenue to R58.6 billion (FY16: R51.8 billion for the 12 months ended 30 September 2016). Operating profit before capital items increased to R6 078 million, representing a 25% increase on the prior year's R4 855 million for the 12 months ended 30 September 2016.
2. During the year cash generation in relation to operating profit before capital items of 111% was achieved.
3. The following strategic development initiatives were implemented during the year:
  - 3.1 Tekkie Town: Subsequent to the conclusion of an agreement to acquire Tekkie Town in South Africa during August 2016, all the required regulatory approvals were obtained and Tekkie Town was consolidated from 1 February 2017.
  - 3.2 Building Supplies Group (BSG): On 1 April 2017, Steinhoff Doors and Building Materials acquired 100% of BSG (BSG is the parent company of the MacNeil and Tileoria groups) for R645.7 million. The acquisition was approved by the relevant regulatory authorities, with an effective date of 1 October 2017.
  - 3.3 Listing of the STAR businesses: On 20 September 2017 Steinhoff's African retail businesses were listed on the main board of the Johannesburg Stock Exchange Limited ('JSE'), raising R15.2 billion net of costs.

## Remuneration of the executive directors

It should be noted that the remuneration disclosure that follows comprise remuneration earned by directors paid by both STAR and its holding company, Steinhoff International Holdings N.V. (Steinhoff).

	Basic remuneration	Company and pension fund contributions	Annual bonus	Strategic bonus	Deferred bonus <sup>2</sup>	Total remuneration and fees
	'R000	'R000	'R000	'R000	'R000	
<b>2017</b>						
AB la Grange <sup>1</sup>	14 440	351	13 701	8 333	13 333	50 158
RG Hanekom	2 154	390	2 035	2 627	–	7 206
<b>Total executive directors</b>	<b>16 594</b>	<b>741</b>	<b>15 736</b>	<b>10 960</b>	<b>13 333</b>	<b>57 364</b>
<b>2016</b>						
AB la Grange <sup>1</sup>	17 188	424	7 762	6 672	6 672	38 718
RG Hanekom	2 273	502	1 963	1 982	–	6 720
<b>Total executive directors</b>	<b>19 461</b>	<b>926</b>	<b>9 725</b>	<b>8 654</b>	<b>6 672</b>	<b>45 438</b>

### Remuneration of the other executive committee members

<b>2017</b>						
<b>Total other executive committee members</b>	23 661	4 056	14 634	9 360	–	51 711
<b>2016</b>						
Total other executive committee members	18 878	3 481	20 675	5 417	–	48 451

<sup>1</sup> Paid by Steinhoff International Holdings N.V. for services to the group. Resigned as chief executive officer of STAR on 6 December 2017 and as non-executive director on 24 January 2018.

<sup>2</sup> Annual and strategic bonus payments may be deferred at the discretion of the Remuneration Committee of Steinhoff International Holdings N.V. The terms of deferral are agreed upon on an annual basis.

## Long-term incentives

Note these share rights pertain to Steinhoff International Holdings N.V. shares.

	Offer date	Conditional vesting date	Number of rights as at 30 September 2016	Number of rights (exercised)/ awarded during the year <sup>1</sup>	Number of rights as at 30 September 2017	Value of rights exercised during the year	Value of rights awarded during the year
						R	R
<b>Share rights</b>							
AB la Grange <sup>2</sup>	December 2013	March 2017	487 490	(487 490)	–	34 177 924	–
	December 2014	March 2018	233 499	–	233 499	–	–
	March 2016	March 2019	259 257	–	259 257	–	–
	March 2017	March 2020	–	392 387	392 387	–	25 493 383
			<b>980 246</b>	<b>(95 103)</b>	<b>885 143</b>	<b>34 177 924</b>	<b>25 493 383</b>
RG Hanekom	March 2016	March 2019	89 550	–	89 550	–	–
	March 2017	March 2020	–	111 251	111 251	–	7 227 977
			<b>89 550</b>	<b>111 251</b>	<b>200 801</b>	<b>–</b>	<b>7 227 977</b>
<b>Total executive directors</b>			<b>1 069 796</b>	<b>16 148</b>	<b>1 085 944</b>	<b>34 177 924</b>	<b>32 721 360</b>

No rights were forfeited during the year under review.

<sup>1</sup> The fair value at date of vesting was R70.11 per share. The fair value at date of grant was R64.97 per share.

<sup>2</sup> The rights relating to AB la Grange are for services rendered relating to Steinhoff International Holdings N.V.

## Remuneration of the non-executive directors

	Basic remuneration	Company and pension fund contributions	Company directors' fees <sup>4</sup>	Annual bonus	Strategic bonus	Deferred bonus <sup>3</sup>	Total remuneration and fees
	R000	R000	R000	R000	R000	R000	R000
<b>2017</b>							
J Naidoo <sup>1</sup>	–	–	947	–	–	–	947
MJ Jooste <sup>2</sup>	36 524	356	–	39 935	8 333	36 667	121 815
DM van der Merwe <sup>2</sup>	18 132	356	–	16 270	8 333	5 000	48 091
JD Wiese <sup>2</sup>	–	–	1 521	–	–	–	1 521
VP Khanyile <sup>1</sup>	–	–	51	–	–	–	51
SH Müller <sup>1</sup>	–	–	92	–	–	–	92
AE Swiegers <sup>1</sup>	–	–	88	–	–	–	88
JB Cilliers <sup>1</sup>	–	–	71	–	–	–	71
HJ Sonn <sup>2</sup>	–	–	1 523	–	–	–	1 523
<b>Total non-executive directors</b>	<b>54 656</b>	<b>712</b>	<b>4 293</b>	<b>56 205</b>	<b>16 666</b>	<b>41 667</b>	<b>174 199</b>
<b>2016</b>							
MJ Jooste <sup>2</sup>	43 093	992	–	31 754	7 634	6 672	90 145
DM van der Merwe <sup>2</sup>	20 748	965	–	16 038	5 004	2 502	45 257
JD Wiese <sup>2</sup>	–	–	147	–	–	–	147
HJ Sonn <sup>2</sup>	–	–	548	–	–	–	548
<b>Total non-executive directors</b>	<b>63 841</b>	<b>1 957</b>	<b>695</b>	<b>47 792</b>	<b>12 638</b>	<b>9 174</b>	<b>136 097</b>

<sup>1</sup> Appointed as a non-executive director during 2017.

<sup>2</sup> Includes remuneration received for services provided to Steinhoff International Holdings N.V.

<sup>3</sup> Annual and strategic bonus payments may be deferred at the discretion of the Remuneration Committee of Steinhoff International Holdings N.V. The terms of deferral are agreed upon on an annual basis.

<sup>4</sup> The fees to directors include fees paid as directors of ultimate holding company Steinhoff International Holdings N.V., where directors serve on the board of the company and holding company.

## Long-term incentives

Note these share rights pertain to Steinhoff International Holdings N.V. shares.

	Offer date	Conditional vesting date	Number of rights as at 30 September 2016	Number of rights (exercised)/ awarded during the year <sup>1</sup>	Number of rights as at 30 September 2017	Value of rights exercised during the year	Value of rights awarded during the year
						R	R
MJ Jooste <sup>2</sup>	December 2013	March 2017	1 669 183	(1 669 183)	–	117 026 420	–
	December 2014	March 2018	869 301	–	869 301	–	–
	March 2016	March 2019	671 017	–	671 017	–	–
	March 2017	March 2020	–	980 968	980 968	–	63 733 491
			<b>3 209 501</b>	<b>(688 215)</b>	<b>2 521 286</b>	<b>117 026 420</b>	<b>63 733 491</b>
DM van der Merwe <sup>2</sup>	December 2013	March 2017	858 437	(858 437)	–	60 185 018	–
	December 2014	March 2018	439 041	–	439 041	–	–
	March 2016	March 2019	335 509	–	335 509	–	–
	March 2017	March 2020	–	490 484	490 484	–	31 866 745
			<b>1 632 987</b>	<b>(367 953)</b>	<b>1 265 034</b>	<b>60 185 018</b>	<b>31 866 745</b>
<b>Total non-executive directors</b>			<b>4 842 488</b>	<b>(1 056 168)</b>	<b>3 786 320</b>	<b>177 211 438</b>	<b>95 600 236</b>

<sup>1</sup> The fair value at date of vesting was R70.11 per share. The fair value at date of grant was R64.97 per share.

<sup>2</sup> Paid by Steinhoff International Holdings N.V. for services to the group.

The fees below were included in the pre-listing statement and the same fees will be proposed for the 2018 financial year, with the addition of a R4 000 per hour fee for special board and/or committee meetings attended by non-executive directors (excluding travel and preparation time and not applicable in respect of scheduled board and committee meetings). The 2018 fees are subject to the approval of shareholders at the annual general meeting to be held on 15 March 2018.

<b>Board fees</b>	<b>R</b>
Chairperson (all-inclusive)	1 750 000
Non-executive directors	600 000
<b>Committee fees</b>	<b>R</b>
<b>Audit</b>	
Chairperson	450 000
Member	250 000
<b>Human resources and remuneration</b>	
Chairperson	250 000
Member	125 000
<b>Nomination</b>	
Chairperson	25 000
Member	15 000
<b>Social and ethics</b>	
Representative	25 000
Fee for special board and/or committee meetings	4 000/hour

# FORM OF PROXY

## STAR AFRICA RETAIL LIMITED

(Registration number: 2017/221869/06) | JSE share code: STAR | ISIN: ZAE000247995 | ('STAR' or 'the company')



### PROXY

To be completed by certificated shareholders and dematerialised shareholders with own-name registration only.

For use at the 1st annual general meeting of STAR to be held at 10:00 on Thursday, 15 March 2018 at Hotel Verde, 15 Michigan Street, Airport Industria, Cape Town, and at any adjournment thereof.

If shareholders have dematerialised their shares with a Central Securities Depository Participant ('CSDP') or broker, other than with own-name registration, they must arrange with such CSDP or broker to provide them with the necessary written authorisation to attend the annual general meeting, or the shareholders concerned must instruct the CSDP or broker as to how they wish their votes to be recorded at the annual general meeting. This must be done in terms of the custody agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (Full name(s) in block letters)

of (address)

being the registered holder(s) of \_\_\_\_\_ ordinary shares, hereby appoint:

1 \_\_\_\_\_ of \_\_\_\_\_ or failing him/her

2 \_\_\_\_\_ of \_\_\_\_\_ or failing him/her

3 the chairman of the annual general meeting, as my/our proxy, to vote for me/us and on my/our behalf at the annual general meeting of STAR for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes on the reverse hereof):

Voting instructions in respect of all/_____ number of shares held	NUMBER OF VOTES (ONE VOTE PER SHARE)		
	In favour of	Against	Abstain
1. Presentation of annual financial statements	Non-voting agenda point		
2. Ordinary resolution 1: Re-appointment of auditor firm and individual auditor			
3. Special resolution 1: Approval of fees payable to the non-executive directors:			
3.1 Independent, non-executive chairman			
3.2 Board members			
3.3 Audit and risk committee chairman			
3.4 Audit and risk committee members			
3.5 Human resources and remuneration committee chairman			
3.6 Human resources and remuneration committee members			
3.7 Nomination committee chairman			
3.8 Nomination committee members			
3.9 Social and ethics committee representative			
3.10 Fee for special board and/or committee meetings			
4. Ordinary resolution 2: Re-election of directors retiring by rotation:			
4.1 DM van der Merwe			
4.2 J Naidoo			
4.3 SH Müller			
5. Ordinary resolution 3: Ratification of the appointment as directors of:			
5.1 LM Lourens			
5.2 LJ du Preez			
6. Ordinary resolution 4: Re-election of the audit & risk committee members:			
6.1 AE Swiegers			
6.2 JB Cilliers			
6.3 SH Müller			
7. Ordinary resolution 5: Placing of shares under the control of the directors for commercial purposes			
8. Special resolution 2: General authority to repurchase shares issued by the company			
9. Ordinary resolution 6: General authority to issue convertible instruments			
10. Ordinary resolution 7: Endorsement of:	Non-binding advisory vote		
10.1 Remuneration implementation report			
10.2 Remuneration policy			
11. Special resolution 3: General authority to provide financial assistance			
12. General	Non-voting agenda point		

Shareholder must indicate as follows how their votes must be exercised: Insert an 'X' in the appropriate block if you wish to vote all your shares in the same manner. If not, insert the number of votes in the appropriate block. The total number of votes may not exceed the total to which the shareholder is entitled. Unless otherwise instructed, a shareholder's proxy may vote as he/she thinks fit.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature \_\_\_\_\_

Any power of attorney and any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of attorney, must be forwarded to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, at the address stated below so as to reach them before the time fixed for commencement of the annual general meeting. (Refer to note 5 under 'Record Dates and other Important Notices' in the Notice to the annual general meeting as a suggestion to avert a potential administrative burden at the annual general meeting.)

Notes to Form of Proxy:

1. This Form of Proxy should only be used by certificated shareholders or shareholders who have dematerialised their shares with own-name registration.
2. All other shareholders who have dematerialised their shares through a Central Securities Depository Participant ('CSDP') or a broker, and wish to attend the annual general meeting, must arrange with such CSDP or broker to provide them with the necessary written authorisation to attend the annual general meeting or, should they not wish to attend, the shareholders must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder may insert the name(s) of one or more proxies, none of whom need to be a shareholder of the company, in the space provided, with or without deleting the phrase 'the chairman of the annual general meeting'. The person whose name appears first on the Form of Proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the annual general meeting.
4. A shareholder's instruction on the Form of Proxy must be indicated by the insertion of a number of shares in the appropriate space provided, or an 'X' if the shareholder wishes to vote all the shares. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable, but the total of the votes cast, together with any abstentions recorded, may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. In order to be effective, completed Forms of Proxy must reach the transfer secretaries at the address stated below before the time fixed for commencement of the annual general meeting, however, refer to note 5 under 'Record Dates and other Important Notices' in the Notice to the annual general meeting as a suggestion to avert a potential administrative burden at the annual general meeting.
6. The completion and lodging of this Form of Proxy shall not preclude the shareholder from attending, speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the chairman of the annual general meeting may accept or reject it, provided that in the case of acceptance, the chairman is satisfied as to the manner in which the shareholder's votes are to be recorded.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
9. The chairman shall be entitled to reject the authority of a person signing this Form of Proxy:
  - 9.1 under a power of attorney; or
  - 9.2 on behalf of a company or on behalf of another entity, unless that person's power of attorney or authority has been deposited and registered by the transfer secretaries at the address stated below before the time fixed for commencement of the annual general meeting.
10. Where shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
12. Any alterations of or correction to this Form of Proxy must be initialled by the signatory(ies).
13. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents. However, it is the intent, from a corporate governance perspective, that all voting at the annual general meeting would take place by way of a poll.
14. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
15. Transfer secretaries' address:

Computershare Investor Services Proprietary Limited

Physical address: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa

Postal address: PO Box 61051, Marshalltown, 2107, South Africa

Contact details: Telephone: +27 11 373 0033

Fax: +27 11 688-5238

Email: proxy@computershare.co.za



