



03 September 2019

CONTENT BRIEF: STEINHOFF MATTER

1. INTRODUCTION AND BACKGROUND

- 1.1. In its legacy report, the Standing Committee on Finance of the Fifth Parliament noted that

“Despite several meetings on Steinhoff issues, the Committee believes the relevant state agencies are making dismal progress. **The Committee believes that the incoming Committee needs to persist with these agencies on the need to act speedily and decisively. it is important to ensure that private sector corruption is tackled as decisively as public sector corruption.**” (emphasis added).
- 1.2. This is a background briefing document summarising the last meeting that the previous Committees of the Fifth Parliament had on the Steinhoff Matter. The Standing Committee on Finance (Scof), Public Accounts (Scopa) and the Portfolio Committee on Trade and Industry and on Public Service and Administration (“the Committees”) held a total of five joint meetings on the Steinhoff Matter on 31 January 2018, 28 March 2018, 29 August 2018, 05 September 2018, and 19 March 2019 to get briefings and follow-up on the developments, regulatory and criminal investigations on the collapse of shares at Steinhoff International NV (Steinhoff).
- 1.3. The shares of Steinhoff had plunged in December 2017, sparking fears of financial ruin as many fund managers abroad and in South Africa, including the Public Investment Corporation (PIC), which is the primary manager of the Government Employees’ Pension Fund (GEPF), had invested billions of Rands. Although Steinhoff is a private company, pensions of government employees and some state-owned companies’ workers and other private funds were at stake as they were exposed to Steinhoff shares. It emerged in the media and during the parliamentary briefings that many South African investors were significantly exposed to Steinhoff’s share

collapse, including the GEPF/PIC, which was the second largest investor and lost value of more than R20 billion of public servants' pension savings from its investment in Steinhoff or its subsidiaries. Other institutional investors were also reported to have lost significantly including Liberty Life, Old Mutual, Allan Gray, Standard Chartered Bank, Standard Bank, Investec, Sanlam, Alexander Forbes, Coronation (via JP Morgan Chase), Argon Asset Management, Eskom Pension Fund, Sayfrets Securities, and the Sasol Pension Fund, among others.

- 1.4. This generated a huge public interest on Steinhoff, including allegations of 'accounting irregularities' and possible criminal conduct as a result of the collapse in shares. To date, Steinhoff has lost between 95% and 99% of its share value since the scandal broke in December 2017, according to various news reports.
- 1.5. The Committees called all relevant state regulatory oversight, criminal investigations and prosecution agencies, the National Treasury, the GEPF and the PIC to examine what they were all doing to minimise risk and ensure consequences management. The regulatory agencies were the Companies Intellectual Property Commission (CIPC), the Financial Sector Conduct Authority (FSCA- formerly the Financial Services Board), the South African Reserve Bank (SARB), the Independent Regulatory Board of Auditors (IRBA), and the Johannesburg Stock Exchange (JSE). Other state institutions included the National Prosecuting Authority (NPA) and the South African Police Services (particularly the Directorate of Priority Crimes Investigation (DPCI) or the Hawks).
- 1.6. The Steinhoff International NV Board was also invited to attend and enlighten the Committees on the extent of the challenges that the company was facing and on turnaround measures. Former executives of Steinhoff who were in charge when the challenges surfaced also attended in some of the meetings, including Dr Christo Wiese (the former Chairperson of the Board and largest individual shareholder at Steinhoff), Mr Ben Le Grange (former Chief Financial Officer) and Mr Marcus Jooste (former Chief Executive Officer).

- 1.7. This briefing document summarises presentations received by the outgoing Committees and highlights follow-up issues.

2. SUMMARY OF THE 19 MARCH 2019 MEETING

STEINHOFF

- 2.1. Ms Heather Sonn updated members on the developments within Steinhoff and on the PwC forensic report which had recently been released. She said that the PwC investigation had been extremely complex and the report contained 3000 pages (14,000 pages when annexures were included). She said that a number of people had been interviewed during the investigation, including 22 current and former directors.
- 2.2. Ms Sonn stated that the situation at Steinhoff remained precarious and the Board was focussing on ensuring that Steinhoff could meet its debt obligations and keep operating companies in business. She further mentioned that Steinhoff was working on a remedial/turnaround plan following the findings of the PwC investigation and was pursuing civil claims against implicated parties.
- 2.3. Mr Louis du Preez, Steinhoff CEO, told members that the financial effects of the accounting irregularities would be revealed in its 2017/18 financial statements-which had still not been released. He stated that there had been an overstatement of income and assets through irregular transactions of about EU 6 billion (over R100 billion). He said that over a number of years, a small group of Steinhoff former executives and other non-Steinhoff individuals had structured and implemented various transactions which resulted in inflated profits and asset values over an extended period of time. He said that Steinhoff was working with Deloitte to finalise its 2017/18 consolidated financial statements.

- 2.4. Following questioning by Committee members, some names of former Steinhoff executives who were allegedly implicated in the irregularities at Steinhoff were revealed as Markus Jooste, Dirk Schreiber, Ben le Grange and Stehan Grobler. The non-Steinhoff executives implicated were Siegmur Schmidt, Alan Evans, Jean-Noel Pasquier, and Davide Ramano.

JSE

- 2.5. The JSE gave the Committees feedback on Steinhoff investigations that were conducted by the JSE. She said that disciplinary action had been taken against Steinhoff and its subsidiary, Steinhoff Africa Retail (STAR), now known as PEPKOR after the name change, resulting in fines of R1 million and R5 million, respectively, for their failure to disclose that they were credit downgraded immediately after the shares fell. Ms Nicky Newton-King, JSE CEO, further told the Committees that the **JSE had submitted an investigation report into insider trading to the FSCA.**
- 2.6. Ms Newton-King explained that the JSE could not freeze Steinhoff shares for not submitting its financial statements on time as Steinhoff was primary listed in the Frankfurt Stock Exchange (FSE), which had decided not to freeze Steinhoff's shares. She reported that the JSE was considering the full PwC forensic investigation report into Steinhoff which had just been completed.
- 2.7. She said that the JSE was seeking to strengthen its listing and regulatory requirements and had issued draft listing requirements for public consultation in September 2018.

CIPC

- 2.8. The Commissioner of CIPC, Adv. Rory Voller, reported that the CIPC had issued Steinhoff with a compliance notice which required it to identify the individuals that were involved in the falsification of its accounting records and to institute criminal and civil action against them within

six months in January 2018. Steinhoff had complied with this notice in September 2018, but due to confidentiality, CIPC could not reveal the names of those individuals, Adv. Voller said.

- 2.9. Adv. Voller said that the CIPC would institute court application to have the directors of Steinhoff declared delinquent in terms of the Company's Act. This would prevent these directors from becoming directors of any company board, he said. He added that the CIPC was reviewing the Companies Act in order to add requirements for foreign companies to establish social and ethics committees.

FSCA

- 2.10. The FSCA reported that it was investigating three offences in relation to Steinhoff; insider trading, market manipulation and, false and misleading information. Mr Brandon Topham, Divisional Executive: Investigations and Enforcements at the FSCA said that with respect to insider trading, the FSCA had narrowed its investigation from 60 trading accounts to only 8 accounts. He said that he was clear that there had been false and misleading information about the financial statements as Steinhoff had itself admitted that they had to be restated. He said that the publication of false and misleading statements was similar to fraud.
- 2.11. Mr Topham assured members that the FSCA was prioritising the investigations and would open criminal cases with the SAPS once its investigations were concluded.

THE INDEPENDENT REGULATORY BOARD OF AUDITORS

- 2.12. The Independent Regulatory Board of Auditors (IRBA) CEO, Mr Bernard Agulhus said that his organisation had been investigating accounting irregularities at Steinhoff since December 2017. The focus of the investigation was on Deloitte South Africa which had signed

off on the group's consolidated financial statements up to 2015, he said. Audit files dating back to 2014 had been received by IRBA and were being examined.

2.13. Mr Agulhus highlighted some jurisdictional constraints concerning IRBA's investigation given that the Steinhoff group's consolidated financial statements had been done by Deloitte Netherlands since 2016, which IRBA has no jurisdiction over. He however explained that IRBA was working with its Netherlands counterparts, based on a Memorandum of Understanding (MOU) to resolve legal and regulatory restrictions on the sharing/exchange of information.

2.14. Mr Agulhus said that IRBA's investigation was however being held up as Steinhoff had not published its restated financial statements for the previous financial years and the 2017/18 financial statements. He expressed concerns on the allegations in the PwC forensic investigation report regarding the nature and extent of alleged corporate fraud, accounting irregularities and non-compliance with laws and regulations. Mr Agulhus assured the Committees that IRBA will continue to work with all stakeholders and counterparts locally and abroad to finalise its investigation.

HAWKS/ DPCI AND NATIONAL PROSECUTING AUTHORITY

2.15. The Head of the Directorate for Priority Crimes Investigations (DPCI), Dr Godfrey Lebenya reported that four complaints had been made relating to Steinhoff. Those complaints had since been combined into one criminal investigation, he said. The allegations in the docket were that Steinhoff had been submitting false, misleading and/or deceptive financial statements in order to attract investors to buy its shares, thus contravening the Financial Markets Act. He said that upon the allegations getting known in December 2017, the value of shares of Steinhoff had dropped significantly resulting in substantial prejudice for investors.

2.16. Dr Lebenya said that the SAPS was investigating fraud, theft, and contraventions of the Prevention and Combatting of Corrupt Activities Act, the Prevention of Organised Crime Act and

the Companies Act. He said that the SAPS had sought mutual legal assistance (MLA) since some allegations involved several jurisdictions. The Hawks were also going to examine the PwC forensic report and expand its investigation to include its findings where relevant.

2.17. Dr Lebenya assured members that the Hawks had increased its investigations capacity to a team of five officers who were working with the prosecuting team from the National Prosecuting Authority.

2.18. Advocates Mpho Doubada and Knox Molele (from the Asset Forfeiture Unit) confirmed that the presentation made by Dr Lebenya was prepared jointly. Adv Doubada said that three prosecutors had been allocated to the Steinhoff investigation. He said that the NPA could not commence with prosecutions until the Hawks had concluded their criminal investigations. He also highlighted the extra-territorial nature of the crimes alleged to have been committed and their complexity as some of the factors that could delay the completion of investigations and prosecutions.

FOLLOW-UP ISSUES FROM THE MARCH 2019 BRIEFING

2.19. Committees to be updated on the following issues

2.19.1. An update on the status of business operations and remedial plans from Steinhoff and the extent of the losses so far.

2.19.2. The impact of losses on the GEPF and the PIC and updates on any remedial actions by the GEPF and the PIC.

2.19.3. The impact of losses on other private fund managers.

2.19.4. Update on any civil action taken against those implicated and against Steinhoff.

- 2.19.5. Whether regulatory (JSE, IRBA, FSCA, and CIPC) and law enforcement agencies (Hawks and NPA (including the AFU) have been given access to the PwC forensic report on Steinhoff.
- 2.19.6. The progress of regulatory and criminal investigations by all the regulatory (JSE, IRBA, FSCA, and CIPC) and law enforcement agencies (Hawks and NPA (including the AFU).
- 2.19.7. Capacity of regulatory and criminal investigation agencies to finalise investigations and reasons for any delays.
- 2.19.8. Progress on international cooperation and mutual legal assistance for regulatory and law enforcement agencies
- 2.19.9. Update on measures to strengthen legal and regulatory gaps and oversight by all the regulatory agencies.

PREVIOUS CONTENT BRIEF TO THE COMMITTEES ON THE STEINHOFF MATTER

3. Steinhoff's Initial Meeting with Committees (31 January 2018)

- 3.1. The Parliamentary Committees received a briefing on the Steinhoff matter from Steinhoff's Acting Chairperson, Ms Heather Sonn, who was appointed in December 2017. Dr Christo Wiese was also in attendance although he ceased to be the Chairperson of Steinhoff in December 2017. The JSE, National Treasury, the Reserve Bank, the Financial Services Board, the Independent Regulatory Board of Auditors, the Government Employees Pension Fund (GEPF), and the Public Investment Corporation (PIC) gave presentations to the Committees on what they were doing to ensure that losses are minimised and investigations are expedited and they hold to account those who were involved in wrongdoing at Steinhoff.
- 3.2. A summary of the group's structure was given, together with a background to the company's sudden dip in its share prices. Steinhoff said that they had subsequently appointed PwC to investigate this crisis on behalf of Steinhoff. It further said that the Board came to know of the crisis from its external auditors, Deloitte, that its financial statements could not be signed-off 3 days before they were due.
- 3.3. Steinhoff has got a complex structure as it operates in 30 countries and has subsidiaries in all of them. The main company is registered in the Netherlands as Steinhoff International Holdings, with a primary listing in the Frankfurt Stock Exchange (FSE) in Germany, and a secondary listing in the Johannesburg Stock Exchange (JSE).
- 3.4. Steinhoff is historically a South African company that re-domiciled and listed abroad. It however still has a significant number of investors from South Africa. The biggest institutional investor is the GEPF, whose investments are mainly managed by the PIC, as its main asset manager. There are other private asset managers who are mandated by the GEPF and the PIC.
- 3.5. The Committees were given different figures on the amount of exposure of the GEPF in Steinhoff by the GEPF and the PIC. These organisations were asked by the Committees to reconcile their

figures and supply the Committees with the precise value of exposure. The book losses are somewhere above R21 billion, if the BEE transaction concluded last year by Lancaster and Steinhoff, to the tune of R9.3 billion, is excluded.

- 3.6. The GEPF and the PIC assured the Committees that the value of exposure to the losses are not actual as Steinhoff may still bounce back because its underlying assets (which are the businesses that Steinhoff owns primarily in the retail sector) were sound. Steinhoff assured the Committees that all its retail shops and businesses were all trading and no jobs had been lost thus far. Up until now (August), the value of the shares has not rebounded as initially expected.
- 3.7. The GEPF and the PIC further assured the Committees that as at 23 January 2017, GEPF shares at Steinhoff only represented 0.167% of the total GEPF investment portfolio.
- 3.8. The FSB highlighted that not only the public sector employees who are GEPF members were exposed to losses, but many others on private pension funds and SOEs. It said that out of the 1651 active funds that it regulates, 948 had reported an exposure to Steinhoff shares. The decline of these investments by 08 December amounted to potential losses of R18 billion.
- 3.9. Although in percentage terms of total assets under management in the economy, these potential losses are small, the Committees raised concerns at this decline. Although the losses were not actual then, as many investors held on to their stock, they were huge and would cause financial instability if the situation deteriorated and could lead to the collapse of Steinhoff.
- 3.10. The Committees urged all regulators to perform their legally mandated roles. They emphasised that regulators should play their oversight role of uncovering the truth and holding those involved to account. The GEPF and the PIC should also take the necessary actions to ensure that they safeguard the pensions of public servants and mitigate risk. In trying to assure investors, they should not lose sight of the enormity of the decline in the value of shares or trivialise the matter.

- 3.11. The Directorate of Market Abuse of the FSB said that they had registered two cases of possible insider trading and one case of possibly false, misleading or deceptive statements- under the Financial Markets Act which could result in possible administrative fines.
- 3.12. The FSB also said it was interacting with its counterparts, BaFin in Germany, the Frankfurt Stock Exchange and the German Prosecutors in Oldenburg, the Netherlands authorities and the Securities Exchange in the US (pertaining to activities of the Viceroy Group which may be shorting the stock and using its publications to destabilise the markets with a motive of benefitting from the downward movement of shares)- to get more information on possible violations by Steinhoff. They further said that Steinhoff was cooperating with their investigations and they were interacting with the JSE.
- 3.13. The JSE reported that they were also playing their regulatory role of monitoring the trading of securities to detect and report any market manipulation conduct to the FSB.
- 3.14. The Independent Regulatory Board of Auditors reported that they opened an investigation into the audits of Steinhoff in December last year. It said that Deloitte had provided a response to their queries this month and it expects to finish its investigations within the next couple of months.
- 3.15. The Committees said they would develop a strategy of holding these regulatory bodies, the JSE, FSB (now Financial Sector Conduct Authority) and IRBA to account on their investigations.
- 3.16. The Committees will also look at whether there are any regulatory and legislative gaps in the country's regulatory framework. The Committees were very concerned that while the German authorities picked up this issue two years ago, there were no early warning signs that were picked up or acted upon timeously by the South African regulators. The Committees believed that this may point to lack of capacity of the country's regulators or lack of early warning systems and this may require more controls or regulatory/ legislative interventions.

- 3.17. Steinhoff reported that it had opened a case of corruption with the Hawks against its former CEO, Mr Marcus Jooste. The Committees welcomed this and believed that more cases against other accomplices should be opened, investigated and that people must go to jail if they are found guilty.
- 3.18. The Reserve Bank represented by the Registrar of Bank (Banking Supervision Division- which is now called the Prudential Authority following the coming into effect of the Financial Sector Regulation Act (FSRA)) reported that the actual collapse of Steinhoff would result in significant losses for banks, lenders and investors, but it was of the view that this will not result in financial instability. Although the Committees believe that the Reserve Bank must communicate positive and reassuring messages, the Committees were not fully convinced by this view as it failed to appreciate the worst case scenario. SARB stated that it regulates banks and does not directly regulate Steinhoff.
- 3.19. The Committees were of the view that the Reserve Bank should tighten its oversight role on exchange control and outbound flows of capital. It was important to monitor that as Steinhoff disposes of some of its South African assets to shore up its liquidity in South Africa and other markets, there is no capital flight out of South Africa. The Reserve Bank assured the Committees that it is monitoring the situation. The Committee said it will hold the Reserve Bank to account on this issue.
- 3.20. The Committees said they will be monitoring the situation closely to ensure that the investments of South Africans are protected. They said they will also play a more focussed oversight role in ensuring that the regulators do what they are supposed to do to hold anyone responsible for the Steinhoff situation accountable. The Committees said they would like to see both corrective and punitive action for law violators.
- 3.21. The Committees said that Steinhoff was a systemically important multinational company. In light of this, consideration must be given to regulating such big corporations appropriately to

minimise risk, approve their equity acquisitions in financial institutions, carefully monitor their debt issuance, and regulatory approval for re-domicile when they shift their primary listing from South Africa to other countries.

- 3.22. With over 130 000 employees throughout the world, in 32 countries, with 12 000 retail outlets, 21 manufacturing facilities and 40 retail brands, Steinhoff was no different to a significantly important financial institution (SIFI), the Committees said. They said that Steinhoff's failure could result in a calamity that is as big as Enron.

4. STEINHOFF FOLLOW-UP MEETING IN MARCH 2018

- 4.1. In the follow-up meeting Steinhoff was represented by its attorneys from Werksmans as the management board members were attending a conference of the global group in the UK. The attorney, Mr Robert Driman, reported that progress had been made in stabilising the company since the initial meeting with the Committees in January.
- 4.2. Mr Louis Strydom of PwC, the company appointed by Steinhoff to investigate the accounting irregularities, reported on the progress of the investigation. He said that 14 different work-streams, with 60 people globally, had been established to investigate the accounting irregularities. Special reviews were also being conducted to determine which Steinhoff subsidiaries were not affected by the irregularities.
- 4.3. Mr Asogaren Chetty of the Companies and Intellectual Property Commission (CIPC) said that external companies listed in South Africa were not subject to some provisions of the Companies Act. These companies were technically allowed to contract out of certain civil and criminal provisions of the Companies Act, he said. He cited section 214 of the Companies Act, which deals with some of the duties of directors. Mr Chetty said that the CIPC had issued a compliance notice against Steinhoff under section 214 of the Companies Act, regarding the falsification of accounting records. The board of Steinhoff had been given 6 months to provide the CIPC with

the names of individuals who were involved and institute criminal action against them. He added that the CIPC said that an application will be made to declare delinquent those involved in wrongdoing. The criminal charges that had been laid by Steinhoff against Mr Marcus Jooste were in term of the PRECCAA, and not in terms of the Companies Act.

- 4.4. Ms N Newton-King of the JSE reported that the JSE had suspended Steinhoff's bonds and preferential shares from trading on 1 March as the Group had failed to publish its financial statements. She said that PwC's forensic investigation would shed some light on whether Steinhoff's financial statements needed to be restated or not. The JSE was further working with the FSE and other regulators and was actively monitoring the trading activity on Steinhoff shares as part of its surveillance functions. She said that the Steinhoff matter had raised questions about the regulatory scheme and governance. Some of these were around the diversity of boards, board appointments and the authority of shareholders in appointing board members and the role of the boards.
- 4.5. Mr Alex Pascoe of the FSB/FSCA reported that four investigations were currently being investigated by the Directorate of Market Abuse. Two related to possible insider trading involving trades between August and December 2017. Another investigation related to misstatement of accounts for 2015/16 financial statements and 2017 interim results. Steinhoff executives had been interrogated and summonses had been issued to some of them (including Mr Marcus Jooste, the former CEO). The last investigation related to short-selling.
- 4.6. Mr Imran Vanker of IRBA said IRBA had launched an investigation in December 2017. Deloitte, the auditors of Steinhoff, had responded to IRBA's inquiries on 20 January in respect of the 2014, 2015 and 2016 audits. After receiving the responses, IRBA had decided to extend the period of its investigations to 2012. Mr Vanker said IRBA was prioritising the Steinhoff investigation, despite human resource constraints, as it only had 5 investigators who were investigating over a hundred investigations.

4.7. Major-General Alfred Khana of the DPCI (Hawks) informed members that the Hawks were investigating three criminal investigations; two reported in Stellenbosch and one, in Sandton. The Hawks were working with the regulators and international (Interpol) and foreign agencies in Germany and Holland, he said. The Hawks were also studying the class action in the Netherlands as it could highlight some wrongdoing committed. Major-General said that Steinhoff had not reported a case to the Hawks, but merely submitted a section 34 report on the eve of Steinhoff's appearance to the Committee in January.

5. Committees' Deliberations on the follow-up briefing of March 2018

- 5.1. The Committees expressed concern that the former CEO of Steinhoff, Mr Marcus Jooste, has refused to attend the briefing at Parliament. The Committees resolved that they would subpoena Mr Jooste to appear in its August follow up briefing. This however should be done with some circumspection as Mr Jooste, although not yet charged, he is a suspect facing regulatory and criminal charges and his appearance before the Committees could prejudice his rights to a fair trial if he is subsequently criminally charged. The Committees further agreed that Mr Ben le Grange, the former CEO, should be invited to appear before the Committees in the follow-up meeting of August.
- 5.2. The Committee expressed concerns at the legal and regulatory gaps in the Companies Act, especially with regards to the personal liability of directors who usually hid behind the corporate veil. The Committees said that areas of improvement should be urgently identified and acted upon.
- 5.3. The Committees raised concerns on the media reports that bonus payments were to be made to Steinhoff executives. They were of the view such bonus payments should be halted and not be paid out as the company was facing challenges.

- 5.4. The Committees expressed disappointment at the progress of the FSB/FSCA investigations. (The FSB/FSCA said that it was constrained by section 88 of the Financial Markets Act from revealing further details of their investigations.)
- 5.5. The Committees raised concerns about the capacity of IRBA given that it had only 5 investigators who were investigating over 150 cases. They said that IRBA's role had become far more important given what had been happening within the auditing sector in the recent past. The Standing Committee on Finance was asked to put more pressure on the National Treasury to avail more funding to empower IRBA.
- 5.6. The Committees raised further concerns that Steinhoff may have reported the case to the Hawks because they were going to appear before Parliament the next day.
- 5.7. The Committees stressed that through the briefings, Parliament was not conducting any investigation, but holding those who account to them accountable. They did not seek to supplant the different roles of law enforcement and regulatory agencies. They said that they recognised that the Steinhoff investigations were complex and time-consuming. The Committees would however continue to request for updates on the progress of these investigations.

6. FOLLOW UP ISSUES FOR THE AUGUST 2018 BRIEFING

6.1. STEINHOFF

- To provide an update on the state of affairs.
- What has been the actual losses since December?
- What has been the performance of the underlying companies of Steinhoff? Are there any threats to job losses?

- Has Steinhoff opened any cases in terms of the Companies Act, if so against who?
- Is there any ongoing civil litigation of any kind by or against Steinhoff or any of its current and former directors, arising from the December incidents? What is the likely impact of such litigation on the company?
- Any recovery plan in place and progress in implementing it.

6.2. GEPF/PIC

- To provide an update of its exposure to Steinhoff currently.
- Did the GEPF/PIC suffer any actual losses as a result of selling any of its shares at Steinhoff?
- What has the GEPF/PIC done to mitigate risk?
- What lessons could be drawn from the Steinhoff events?

REGULATORY AND LAW ENFORCEMENT AGENCIES

6.3. FSB/FSCA

- Update on the four investigations. Have any been concluded?
- Any additional investigations?
- Any weaknesses or gaps in the legislation or regulations that the FSCA thinks should be considered by Parliament?

6.4. RESERVE BANK / PRUDENTIAL AUTHORITY

- The Reserve Bank could be asked to reveal the number and value of exchange control approvals that Steinhoff or its subsidiaries has requested and was granted (or not granted) from December last year to date (August 2018).

- Any weaknesses or gaps in any legislation or regulations that the Reserve Bank/ Prudential Authority thinks should be considered by Parliament?

6.5. JOHANNESBURG STOCK EXCHANGE

- Update on the release of financial statements by Steinhoff
- Is the trading of Steinhoff bonds and preferential shares still suspended?
- Any suggestions on how the laws and regulations and governance arrangements could be improved regarding the diversity of boards, board appointments and the authority of shareholders in appointing board members and the role of the boards.

6.6. COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC)

- Update on the CIPC's investigation regarding the falsification of records
- Has the CIPC received all the information it requires regarding its section 214 Compliance notice to Steinhoff
- Have criminal charges in terms of the Companies Act been laid by Steinhoff
- Has Mr Marcus Jooste been finally interrogated?
- Has the application to declare delinquent some of the executives of Steinhoff been made and what is the progress?

6.7. IRBA

- Update on investigations and the timeframe for possible conclusion

6.8. DPCI/HAWKS

- Update on investigations and the timeframe for possible conclusion.

- Any additional cases that have been reported.

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