

GEN – General – Pepkor Holdings Limited

Censure imposed by the JSE on Pepkor Holdings Limited (formerly known as Steinhoff Africa Retail Limited) ("**Company**")

The JSE Limited ("**JSE**") hereby informs stakeholders of the following findings in respect of the Company:

1. The Company issued its pre-listing statement on 4 September 2017 ("**PLS**") and subsequently listed on the JSE on 20 September 2017.
2. At listing, the Company and/or its subsidiaries had the following arrangements in place:
  - The Company's wholly owned subsidiary, Pepkor Holdings (Pty) Ltd, formed part of a group of companies which unconditionally and irrevocably guaranteed the Steinhoff Services Limited R15 billion Domestic Medium Term Note Programme ("**DMTN Programme guarantee**");
  - The Company, through its subsidiaries, provided loans to directors/key management personnel in terms of the Pepkor Management Investment Scheme through an entity called Business Ventures Investments ("**BVI**") which amounted to R9 million in aggregate as at 30 September 2017 and R18 million in aggregate as at 30 September 2016 ("**loans to directors/key management personnel**"); and
  - The Company, through its subsidiaries, was party to a guarantee of third party debt related to BVI and exposure thereto equated to R440 million as at 31 March 2018 ("**BVI guarantee**").
3. The JSE Listings Requirements in paragraphs 8.3 and 8.62(b) respectively, states that the report of historical financial information included in the PLS and the annual financial statements must be prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the SAICA Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.
4. The relevant IFRS applicable to these arrangements which are required in terms of paragraphs 8.3 and 8.62(b) of the Listings Requirements were not included in the report of historical financial information contained in the PLS or in the Company's results for the year ended 30 September 2017 ("**2017 AFS**").
5. Furthermore, paragraphs 7.A.20 to 7.A.22 of the Listings Requirements requires disclosure in the PLS of details of loans made or security furnished by the applicant or by any of its subsidiaries to

or for the benefit of any director or manager or any associate of any director or manager of the applicant and disclosure of why each loan receivable was made. This disclosure relevant to the arrangements was not included in the PLS.

6. As a result of an investigation conducted by the JSE, the Company was found to be in breach of the following Listings Requirements in respect of the various arrangements:

**DMTN Programme guarantee**

Paragraphs 8.3 and 8.62(b) of the Listings Requirements for its failure to disclose the DMTN Programme guarantee for Steinhoff Services Limited in accordance with IFRS in the historical financial information presented in the PLS and the 2017 AFS.

**BVI guarantee**

- Paragraphs 7.A.21 read with 7.A.20, and 7.A.22 and paragraph 8.3 of the Listings Requirements for its failure to disclose the BVI guarantee in the body of the PLS and in the historical financial information presented in the PLS in accordance with IFRS;
- Paragraph 8.62(b) of the Listings Requirements for its failure to disclose the BVI guarantee in accordance with IFRS in the 2017 AFS.

**Loans to directors/key management personnel**

Paragraphs 7.A.21 read with 7.A.20, and 7.A.22 and paragraph 8.3 of the Listings Requirements for its failure to disclose the loans to directors/key management personnel in the body of the PLS and in the historical financial information presented in the PLS in accordance with IFRS.

The Company has fully cooperated with the JSE during its investigation and provided the JSE with sufficient assurance that steps have been taken to address these breaches.

Notwithstanding this fact, the JSE has decided to impose this public censure against the Company with a fine in the amount of R5 000 000 (five million rand) of which R1 000 000 (one million rand) is suspended for a period of two years, in relation to the above mentioned breaches of the Listings Requirements.