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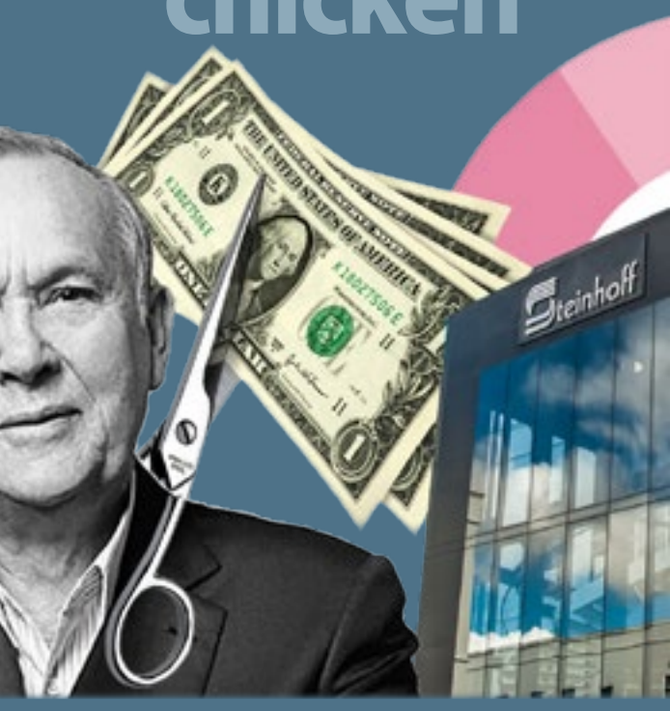
Steinhoff's billion dollar game of chicken



THE CLAIMANTS CLASH IN COURT. ARE THE BIG BOYS GETTING A BETTER DEAL?

amaBhungane
Centre for Investigative Journalism

Sam Sole

Additional reporting by Rob Rose and Warren Thompson for the Financial Mail and Dewald van Rensburg for amaBhungane

1/ STEINHOFF'S BILLION-DOLLAR GAME OF CHICKEN

The disgraced group's global settlement proposal hangs in the balance, as claimants clash in court over questions of legality and fairness – including whether the big boys like Christo Wiese are unfairly advantaged

Competing claimants and the fraud-battered Steinhoff group are engaged in a billion-dollar game of chicken, facing off over who will recover how much — or whether the company delivered into global infamy by its chief executive, Markus Jooste, will collapse entirely.

Steinhoff has spent more than a year negotiating a deal that will allow it to settle claims flowing from the huge fraud allegedly masterminded by Jooste, in which "fictitious profit" of R106-billion was put through its accounts.

Were it to get the green light, the deal would see Steinhoff pay out claims worth nearly $10-billion at a much-reduced rate, allowing the furniture multinational to trade its way out of trouble.

But the dispute now hinges on the starkly different terms being offered to the two classes of investors who suffered eye-watering losses in the wake of Jooste's December 2017 resignation, which sparked a 95% plunge in Steinhoff's share price.

Steinhoff has proposed paying relatively small amounts to "market purchase claimants" — including asset managers such as Coronation and Allan Gray, which invested people's pensions in Steinhoff — and "contractual claimants", who are set to be paid between eight and 15 times more.

These contractual claimants are mainly ultra-wealthy individuals who entered share-purchase agreements directly with Steinhoff — notably former Steinhoff chair Christo Wiese and former FirstRand founder

GT Ferreira, among others.

Since the market purchase claimants are largely pension funds, it means pensioners will ultimately bear the brunt of the "double standards", according to two legal challenges to the settlement deal.

The stakes are high.

If no deal is reached, Steinhoff will probably be liquidated, and many claimants would get next to nothing.

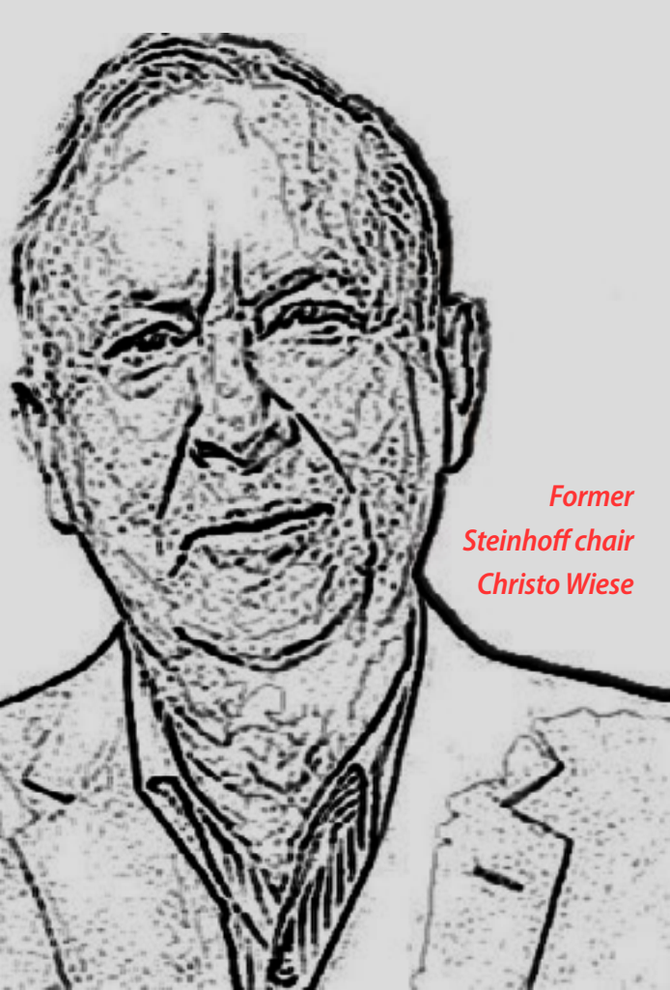
It is a powerful incentive that has brought dozens of parties to the table. But two main sets of claimants have now launched legal attacks on the settlement plan, which would have to be approved by a court under section 155 of the Companies Act.

The two claimants are Hamilton, which represents the claims of a number of retail investors, asset managers and pension funds, and Conservatorium, representing a number of banks that lent Wiese-linked entities money to buy more Steinhoff shares in 2016 and are now at odds with him.

Hamilton and Conservatorium are companies that pursue litigation for profit and will retain a portion of any recoveries they achieve.

Both have mounted direct claims against Steinhoff, but both have also intervened to challenge different aspects of the proposed settlement, based on alleged inconsistencies in the way Steinhoff has set it up.

Steinhoff's treatment of Wiese is at the centre of both these court cases.



Former Steinhoff chair Christo Wiese

2/ WIESE: "I'M NOT BEING UNFAIRLY ADVANTAGED"

It is worth recalling Wiese's role in this drama. Still one of South Africa's richest men, with a fortune estimated at R9.8-billion, Wiese was the biggest loser in the Steinhoff collapse. Through various family-controlled entities (including Titan, Thibault and Wiesfam), he was the company's single largest shareholder in December 2017, holding about 21% of the stock.

He had been a Steinhoff shareholder since 2012, when he sold the wine farm Lanzerac to a consortium headed by Jooste in return for Steinhoff shares.

Then, in 2014, Wiese sold retail giant Pepkor to Steinhoff in a share-based transaction worth R63-billion — at that time, the biggest corporate deal in South African history.

But when Steinhoff's shares collapsed, a large chunk of Wiese's wealth vanished too. As a result, he lodged a claim of R59-billion against Steinhoff, arguing that he had been deceived into investing in a company he believed was sound, but which was really worth far less due to the immense fraud allegedly masterminded by Jooste.

Though Wiese clearly sustained a huge hit, there is extra nuance to this story that requires greater scrutiny where it comes to Wiese.

For a start, Wiese had a ringside seat at Steinhoff that gave him greater access than other investors — and greater responsibility.

Not only was he was a director of Steinhoff from March 2013 until May 2016, he became a director of its "supervisory board" just before it listed on the Frankfurt Stock Exchange in December 2015.

His son, Jacob, was also a director.

The German listing allowed shareholders in the South African company to swap their shares into an offshore entity. This allowed Wiese (alongside other investors) to move much of his fortune offshore.

Then, from May 2016 until 15 December 2017, Wiese assumed extra responsibility when he was appointed chair of Steinhoff's supervisory board.

“I spent 50 years building Pepkor and lost the entire asset. Inexplicably, it is argued that the Wiese Group is being unfairly advantaged by recovering a minor percentage”

Pension funds, which now see they are likely to get less than Wiese in the “settlement”, could argue that the fact that Wiese was a director and chair means he should at least bear some responsibility for the failures of oversight during the time when Jooste is alleged to have constructed the fraud.

Why should Wiese, given this oversight role, now benefit more than the average investor whose interests he had seemingly failed to protect?

Responding to written questions, Wiese says Steinhoff had made it clear that, after the forensic investigation by auditing firm PwC, there was no basis to claim that either he, or his son Jacob, had failed to conduct due fiduciary care as directors.

“Christo Wiese and the Wiese Group are as much victims of the fraud committed by Steinhoff as anyone else, including the market purchase claimants,” he says.

Wiese goes on to say it is misplaced to suggest the global settlement should rely on Hamilton or any other claimant’s perception of equity rather than on “legal principles and demonstrable facts”.

“The bulk of the current value in the Steinhoff Group arises from assets that the Wiese Group contributed in exchange for Steinhoff shares. Whatever recovery the Wiese Group may receive in the settlement is, firstly, largely from the assets it sold to Steinhoff and, secondly, is far less than the value originally contributed …

“I spent 50 years building Pepkor and lost the entire asset (initially R35-billion, now worth substantially more) due to the Steinhoff fraud. Somehow, and inexplicably, it is argued that the Wiese Group is being unfairly advantaged by recovering a minor percentage of its loss.”

3/ IT'S "UNFAIR", SAY PENSION FUND MANAGERS

Hamilton, which represents a wide group of market purchase claimants — including South African asset managers such as Coronation and Allan Gray — has a pending claim against Steinhoff worth R14-billion.

But Steinhoff's global settlement proposal offers them 5c for every R1 they claim.

So Hamilton has now asked the Western Cape High Court to declare that the scheme is unlawful because it is "unfair and inequitable", and does not meet the requirements of section 155 of the Companies Act.

In the court papers, Hamilton argues the settlement gives undue preference to a select group of creditors — essentially certain well-connected businessmen, such as Wiese, who entered large share-purchase or swap contracts directly with Steinhoff.

They say this group, the contractual claimants, do not constitute a "class" of creditors as envisaged by the act, that can be distinguished from others for the purpose of a separate (and better) offer.

Other Steinhoff claimants agree.

One of them, Trevo Capital, has applied to join Hamilton's challenge and makes a similar argument. It says:

"The [Steinhoff] proposal … bears the hallmarks of an uneven, inequitable arrangement ineluctably shaped by undisclosed, pre-existing deals with some parties and not others. The proposal does not treat all like cases alike, but instead favours certain creditors at the expense of others, contrary to justice, equity and commercial morality."

Trevo says that by "carefully designing the classes and differentiating the proposed dividends", Steinhoff has "assumed a unilateral, quasi-judicial role that it has abused" to serve its agenda of a tactical classification of claims to ensure the proposal's success.

This, it says, disadvantages Trevo and other "market-purchase claimants". It says all registered claimants — whether the wealthier "contractual claimants" or the asset managers

“ The proposal … bears the hallmarks of an uneven, inequitable arrangement ineluctably shaped by undisclosed, pre-existing deals ”

— should be given a chance to join Hamilton’s action.

This suggests that as much as Steinhoff is pushing for this deal to happen sooner rather than later, the case is probably not as cut-and-dried as it would like to believe.

If it seems investors who bought shares in the open market are getting the short end of the stick, it may actually be even more discriminatory than it seems.

Steinhoff appears to have applied a two-stage differentiation in respect of these market purchase claimants.

The losses of contractual claimants, such as Wiese and Ferreira, are calculated according to a fairly simple formula of the purchase price paid per share, minus benefits they got (like dividends), minus a floor price (post-crash), multiplied by the number of shares.

In stark contrast, the market purchase claimant losses are treated differently.

First, an expert was brought in to assess retrospectively what portion of the Steinhoff share price was bogus, at a particular date range, because of the fraud.

This provided a “price inflation figure”, based on the estimated effect of the Steinhoff fraud (or “alleged misrepresentations”) at any particular date when these market purchase claimants bought their Steinhoff shares.

Predictably, this method delivers a far lower figure than that used for the contractual claimants.

For example, one claim from Wiese’s company Thibault emerges at R31.8-billion using the contractual formula, but would come in at about half of that (R15.4-billion) had Steinhoff applied the market purchase formula instead.

That is step one.

Next, a different “recovery rate” is also applied to the two classes of claims.

Contractual claimants, with the exception of

Competing claims

Steinhoff's proposed settlement

€61m
(R1.07bn)
Conservatorium
Amount set aside for group of seven banks

€266m
(R4.67bn)
Ordinary investors
Including clients of Coronation and Allan Gray

€30m
(R526m)
Costs
Amount set aside to pay costs

€406m
(R71bn)
Christo Wiese entities
18c for every R1 he has lost

€180m
(R3.16bn)
Contractual claimants
20 claimants will get 29c for every R1 they lost

the Wiese-linked entities, will receive a 29.3% recovery rate. (The Wiese contractual claims are proposed to be settled at 18.7%. We explain why, later in the story.)

And yet the market purchase claims are proposed to be settled at a mere 5% rate.

4/ AN ARTIFICIAL DISTINCTION

The most pressing question for pension funds is: why should they get less because of this artificial distinction, when they all ended up owning shares in Steinhoff, and all were swindled equally?

Steinhoff justifies the difference by claiming that the "legal case" for the market purchase claimants is much weaker. In particular, they rely on a judgment given last June by judge David Unterhalter in the class action case of De Bruyn vs Steinhoff.

There, a group of Steinhoff shareholders, represented by pensioner Dorothea de Bruyn, launched a claim against Steinhoff based on negligence.

Unterhalter threw it out. He ruled that shareholders did not have a claim in South African law against a company for harm caused by negligence. Only shareholders to whom the company or directors owed a direct duty of care (such as that established by the contractual claimants) could seek damages.

Says Steinhoff: "The differentiation in proposed recoveries between market purchase claimants and contractual claimants reflects these material legal uncertainties and the material litigation risk affecting the market purchase claims."

Hamilton rejects this. It counters that its case is based on the fraudulent actions of Steinhoff and its former directors, which triggers legal liability in a way that mere negligence does not. In this way, it says, it is legally different from the De Bruyn case.

Hamilton points out the inconsistency in Steinhoff first arguing that market purchase claimants really have no valid case at all — and then setting aside billions for their claims "out of an abundance of caution".

Notably, Deloitte — the audit firm that for years missed the red flags at Steinhoff — has

> *Another question is why 'contractual claimants', typically well-connected and experienced businessmen, should not be held to a higher standard*

taken the opposite view to Steinhoff.

Deloitte has offered a settlement donation premised on a much larger portion of its contribution being allocated to market purchase claims than to contractual claims: €55-million for distribution to the market purchase claimants, and €15-million for distribution to "some contractual claimants".

A number of insurers (which could have been liable for directors and officers' insurance payouts) have also reached a settlement with Steinhoff, contributing a similar amount to the "settlement pot".

But the insurers also agreed to pay €55.5-million to the market purchase claimants, and just €15-million to the "contractual claimants" — and Wiese will get nothing from this.

This suggests that Deloitte and the insurers may have made their own assessment of their potential liability to the ordinary market purchase shareholders. The settlement of both is, after all, contingent on all beneficiaries agreeing to forgo further legal claims against them.

5/ PRE-WARNED IS PRE-ARMED

Another question is why the "contractual claimants", typically well-connected and experienced businessmen, should not be held to a higher standard of due diligence, compared with market purchase claimants.

All of these businessmen were committing a

serious portion of their personal fortune, and all had higher levels of access, both formal and informal, to information about Steinhoff compared with the average retail investor — yet they are now being treated better after they got their fingers burnt.

Regarding Wiese, the situation is more acute. Back in December 2009, former Brait analyst Craig Butters gave a 40-page presentation to Wiese, warning him against investing in Steinhoff.

The slides contained phrases such as "opaque businesses", "tax risk", "weak balance sheet", "poor disclosure", "significant transactions with unknown private entities" and "extremely poor" quality of earnings.

The picture painted was of a seriously shaky business that may have been cooking the books.

And yet Wiese invested anyway, arguing that "Butters's criticism wasn't well founded".

While that may seem surprising coming from a man of Wiese's acumen, many others — including fund managers and top international banks — were deceived too.

Yet it seems less reasonable for Wiese to have persisted with that view after German authorities carried out a raid on Steinhoff's European headquarters, in November 2015, "to review its balance sheet treatment of transfers to subsidiaries or third parties".

Wiese's stance seems even more incredible, given that Germany's *Manager Magazin* revealed in August 2017 that the public pros-

Analyst Craig Butters gave a 40-page presentation to Wiese, warning him against Steinhoff

ecutor's office in Oldenburg was investigating Jooste on suspicion of falsifying accounts.

(Finally, in March 2021, the German authorities indicted four individuals for this fraud — a list that is understood to be headed by Jooste.)

Wiese disagrees strongly.

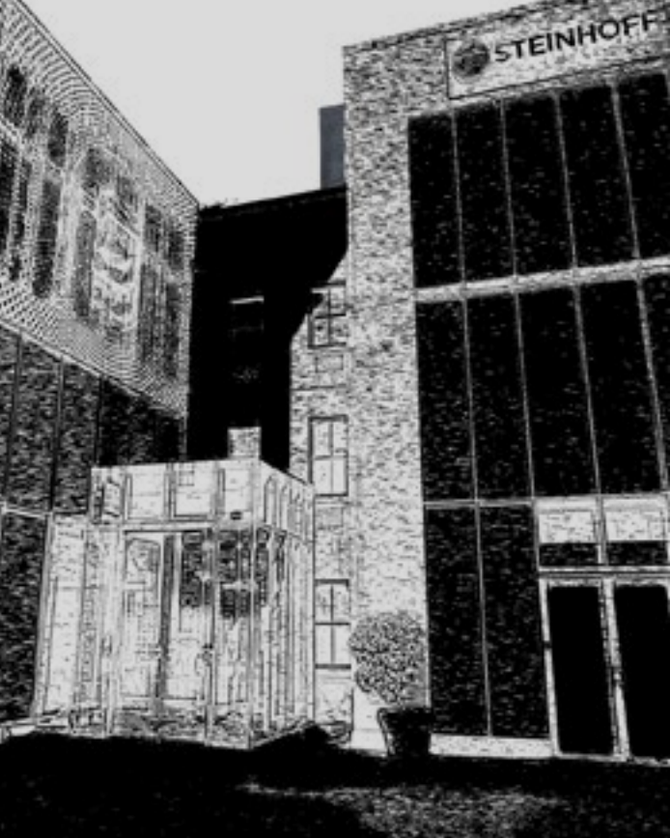
"The view that any supervisory board director, including [me] and Jacob Wiese, was or should have been aware of the fraud and accounting irregularities, which it now appears was committed years before [I] joined the board of Steinhoff, is simply not supported by the facts and confirmed by the PwC report," he says.

Rather, he says, it was a "complex fraud" committed by skilled individuals. And it was not detected by Steinhoff's audit and risk committees (on which Wiese did not serve), nor by the internal or external auditors, nor the banks, investment managers nor by anyone else who lent Steinhoff money.

"The assertion that [I] knew or should have known of the fraud committed is clearly refuted by the fact that the Wiese Group invested R60-billion in Steinhoff."

In 2015, he adds, Steinhoff's board appointed a German law firm specialising in combating white-collar crime to investigate the claims made by the Oldenburg prosecutor. And the firm said it found no issues of fraud or accounting irregularities.

"The auditors provided an unqualified audit report in December 2016 notwithstanding these widely publicised assertions investigated by the Oldenburg prosecutor. The supervisory board directors justly relied on these assurances."



6/ WHY IS PWC'S REPORT STILL SECRET?

Despite these assurances, the question of what Wiese knew (or should have reasonably suspected) is what underpins the disquiet that some feel around the Steinhoff settlement proposal.

Steinhoff has been conspicuously silent about the fact that the Wiese-linked claims are being discounted by 10.6 basis points compared with the other contractual claims.

Are they treating Wiese unfairly and he is just taking it? Or do they both know something we do not?

Steinhoff is coy, saying: "This is one of a number of the concessions negotiated by Steinhoff with the Wiese-related entities."

Wiese insists there is no evidence that he or his companies "acted in any manner that was unlawful or gives rise to a defence or claim against them". Instead, he insists his concessions have been made in the interests of reaching a settlement.

He says Steinhoff's decision to pay market purchase claimants some compensation is "at least in part, if not fully, funded by the concession from the Wiese Group to accept approximately 18.7% on its [claims] as opposed to the approximately 29.3% to be paid to other contractual claimants".

Forgoing these billions, he says, is not because his claim lacks merit — but rather to ensure the settlement happens and Steinhoff

"Steinhoff is keeping the full PwC report tightly under wraps, fiercely resisting legal efforts , including by amaBhungane and the FM, to force its disclosure"

can avoid liquidation.

In response to questions, Steinhoff reiterates that PwC's investigation contained "no finding that Wiese committed acts (and omissions), or was aware of the acts (and omissions) committed by others".

But, then, it is hard to disprove this: Steinhoff is keeping the full PwC report tightly under wraps, fiercely resisting legal efforts — including by amaBhungane and the FM — to force its disclosure.

That fuels suspicion that if the full report were disclosed, it could torpedo any deal — whether because of revelations around Deloitte, Wiese or others.

There are also two intriguing subplots in the Steinhoff saga that could bear on Wiese's credibility — and potentially that of Steinhoff:

- One is the €1.6-billion loan that Wiese-controlled companies took on 27 June 2017 to allow them to buy more Steinhoff shares — and the allegations of what happened to that loan in the aftermath of the collapse a few months later. This issue is at the heart of the Conservatorium case.
- Second, there is the thorny matter of two "prepayments" of €125-million and €200-million that Steinhoff made to Wiese's companies in October and November 2017. At the time, Wiese's plan was that Steinhoff would buy Shoprite — but the deal folded as soon as Jooste resigned that December. But the way in which those "prepayments" were made to Wiese, and his delayed repayment, have raised further questions.

7/ SHAFTING THE BANKERS?

The story begins in September 2016, when a private Netherlands company, Upington BV (a subsidiary of Wiese family-controlled Titan) bought 314-million Steinhoff shares for €1.6-billion. It injected much-needed cash into Steinhoff at the time.

However, this purchase was financed using a €1.6-bilion loan that Wiese had raised from a consortium of four banks. (Later, when Upington refinanced the loan in June 2017, eight banks were involved.)

As security for this loan, Upington put up

750-million of the Steinhoff shares (including the 314-million it had just bought) that it held on behalf of Wiese.

Six months later, Steinhoff's stock crashed when the fraud emerged. The banks called in their security, but given the crash, were out of pocket to the tune of €993-million.

Then in June 2019, a company called Conservatorium bought the claims belonging to seven of the eight lenders, and began trying to recover what it could. As a result, it argued, it deserved a large portion of Wiese's legal claim against Steinhoff.

Conservatorium argues that, of Wiese's R59-billion claim, €1.6-billion (about R28-billion) was not his to lose. Wiese's claim includes the banks' losses, Conservatorium alleges.

On that basis, Conservatorium applied to intervene as an interested party in the Wiese case against Steinhoff in the Western Cape High Court. It was successful.

Wiese's lawyers countered that the rights to claim from Steinhoff did not transfer to the banks along with the Steinhoff shares Upington put up as security for the loans — and so Conservatorium has no claim.

The full case has yet to be heard — and that issue is likely to be settled out of court as part of the global settlement.

Still, the Conservatorium application raises serious questions about Wiese's business prac-

Steinhoff chief executive Louis du Preez

tices, and Steinhoff's willingness to accommodate them.

In particular, Conservatorium claims that when the share price crashed, instead of Upington pursuing a claim against Steinhoff (to repay the bank debt), Wiese tried to frustrate the lenders' recovery options by hurriedly transferring all of Upington's assets to Titan — including Upington's claim against Steinhoff.

"In September 2018, the Wiese family summarily purported, over a period of two days, to cede its assets and claims to Titan, dissolve Upington, and substitute Titan for Upington in this litigation," they say.

Soon after, on 28 September 2018, Upington was liquidated in expedited proceedings.

Conservatorium claimed "Upington had no legitimate reason to give up its assets or to shut itself down. It is clear that the Wieses transferred Upington's claim to Titan, and then wound up Upington, in an act of self-dealing between related parties, to keep Upington's claim out of the hands of the lenders."

This, says Conservatorium, is a "textbook abuse of corporate personality — Upington was not acting in its own interests, but in the interests of [the Wiese family]".

Conservatorium then accuses Steinhoff of "collaboration or participation" with Wiese in its strategy to use the courts to "legitimise a large settlement".

Conservatorium says Steinhoff's plea against Wiese's claims was "feeble", with neither side taking the legal points they might have. Steinhoff denies bending over backwards to help Wiese.

Wiese says he is gagged by the provisional global settlement, but denies any wrongdoing.

"I am contractually restricted from commenting on the Conservatorium issues, except

"Steinhoff is keeping the full PwC report tightly under wraps, fiercely resisting legal efforts , including by amaBhungane and the FM, to force its disclosure"

to state that any allegation that [our companies or family] failed to meet their fiduciary obligations or acted in any manner which is unlawful, manipulative or to avoid the claims of the [lenders] are not supported" by any credible evidence or assertions.

He says Upington was wound up "in the ordinary course of business".

And, he adds, "far from collaborating with [us], the Steinhoff Group and its lawyers have opposed every action by the Wiese Group to recover its investment or the pursuit of its legitimate contractual claims".

The battle between Wiese and Conservatorium gives some insight into Wiese's clout.

In legal papers, Steinhoff chief executive Louis du Preez explains: "The Thibault claim is by far the largest [against Steinhoff] comprising approximately 87% by value of the 'contractual claims'."

In other words, it may well be that without Wiese's agreement, no settlement would succeed.

This highlights just how critical it was that Steinhoff decided to recognise the contractual claimants as a separate class — it gave them, Wiese included, a greater veto power than if they were lumped in with other creditors.

In October 2020, Wiese's lawyer Tinus Slabber wrote to Steinhoff, threatening to collapse the global negotiations unless the dispute with Conservatorium over who owned the Wiese claims was settled as part of an overall deal.

He gave Steinhoff a deadline to reach settlements that "must specifically include all mat-

ters involving Conservatorium, Thibault, Titan and Upington and the Wiese family".

"Failing [that], my clients will not pursue the current proposal and will insist on their pro rata share in respect of all claims — it being accepted that [Steinhoff] will end up in liquidation."

Wiese, in the end, got what he wanted.

In its settlement proposal released on 15 February 2021, Steinhoff announced the Conservatorium claim would be settled for €61-million — roughly the same rate as the market purchase claimants.

8/ A PREPAYMENT THAT BROKE THE RULES?

Then there is the matter of the "prepayment" that Wiese got from Steinhoff, months before the share price collapsed.

By October 2017, details of the allegations against Jooste and his collaborators had already been published by *Manager Magazin*.

Yet Wiese negotiated for early payments totalling €325m to be made to him in October and November 2017, based on the idea that he, as the largest shareholder of Shoprite, would be instrumental in Steinhoff taking over the grocery retailer.

This prepayment, a number of sources say, was decided on by Wiese (then Steinhoff chair) and Jooste (then chief executive) and was not submitted for formal approval by the board.

Steinhoff chief financial officer Theodore de Klerk confirmed the loan was approved "without going through the proper board processes".

Wiese still maintains all was above board with that loan, however.

He says the prepayment was, "to the best of our knowledge and belief executed in accordance with [Steinhoff's] corporate governance requirements".

Yet Steinhoff's own 2017 annual report says this loan did not follow the governance channels.

Two separate sources claim that when Wiese decided to resign as chair of Steinhoff at the end of 2017, it was partly because of a dis-

Steinhoff chief financial officer Theodore de Klerk

agreement with other directors around this prepayment.

Again, Steinhoff would not comment.

Again, Wiese has a different explanation.

"In December 2017, it became apparent that the Wiese Group would likely end up suing Steinhoff. Other board members were in agreement with [me] that a conflict of interest should be avoided. Therefore, [I] resigned as interim CEO and chair of the supervisory board," he says.

Wiese says any claim that he was forced to quit is "false and misleading".

Nonetheless, it is clear that the prepayment (besides putting money in Wiese's pocket) gave him considerable leverage in the subsequent negotiations. While €125-million has been repaid, Wiese has yet to repay the other €200-million.

As he puts it: "The contractual prepayment made by the Steinhoff Group to the Wiese Group … gave rise to a legal dispute in which the Wiese Group correctly contended that it had a legitimate defence against that claim occasioned by the fraud committed by Steinhoff."

This has now been "settled" as part of the greater proposed settlement, he says.

Still, it seems Steinhoff gave Wiese rather generous "repayment terms".

Wiese appears to have been granted an interest holiday on that R3.4-billion principal amount, and he will pay interest of 5.04% a year from the date of the settlement, through a "payment in kind" — presumably shares.

9/ SO WHO IS REALLY CHICKEN?

Steinhoff's Du Preez has managed a remarkable endurance performance, balancing myriad claims and fending off litigation across multiple jurisdictions to get to this point. And he has done this while keeping the business alive, during a pandemic.

It is often forgotten, but the company still actually operates 8 611 stores across the world — including Pepco in the UK, Mattress Firm in the US, and Ackermans and Pep in South Africa. All while juggling repayments on nearly €10-billion of debt.

So can it hold out under this pressure?

Du Preez may have found more money from Deloitte and the insurers to sweeten the deal for Conservatorium and the market purchase claimants.

And Wiese, the Mack truck in the race, seems to have conceded as much ground as he is likely to.

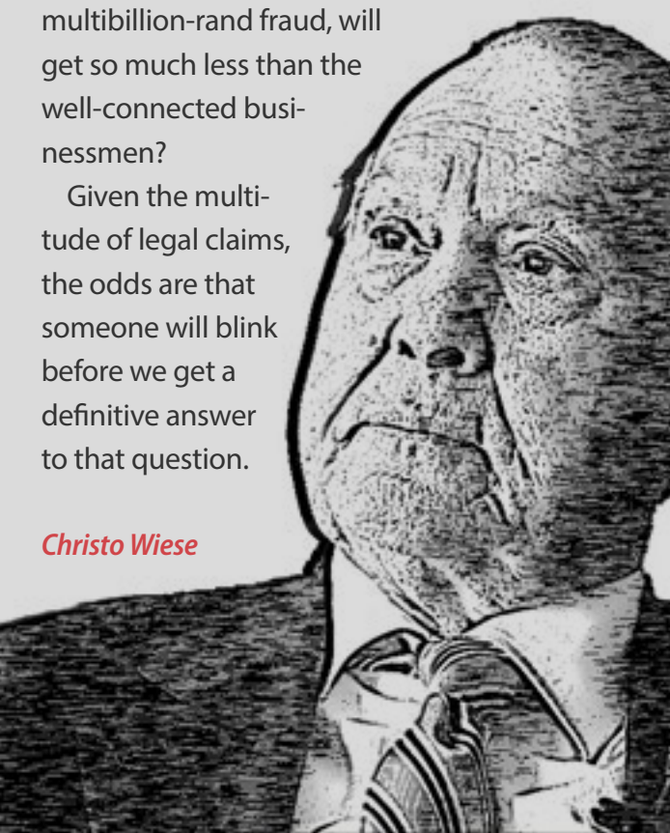
Hamilton, on the other hand, is not backing down — despite Du Preez's campaign to persuade market purchase claimants to take the offered 5c in the rand.

The minute that just one of the legal claims against Steinhoff succeeds in court, the game will change.

So is the deal fair? Does it accord with the law that the pension funds, which bought into Steinhoff, unaware of a brewing multibillion-rand fraud, will get so much less than the well-connected businessmen?

Given the multitude of legal claims, the odds are that someone will blink before we get a definitive answer to that question.

Christo Wiese



amaBhungane
Centre for Investigative Journalism

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Digging dung. Fertilising democracy

Launched in 2010, amaBhungane (isiZulu for 'the dung beetles') is an independent, non-profit newsroom based in South Africa. We develop investigative journalism to promote free, capable media and open, accountable, just democracy.

Our activities include:

INVESTIGATIONS: We develop best practice in our field by doing stories that are accurate and fair, advance methods and standards, expose wrongdoing and empower people to hold power to account.

INVESTIGATIONS SUPPORT: We help others in the media do it too via training, editorial collaborations and organisational support.

ADVOCACY: We lobby, campaign, exercise laws and litigate to help secure the information rights – access to information and media freedoms – that are the lifeblood of our field.

We publish our stories on our website and via a range of publication partners and platforms, such as this e-book.

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AmaBhungane's small team of investigators has forced information into the public domain where there was none. Our investigative stories – exposés on institutional independence being undermined, corruption, corporate malfeasance and "state capture" – have contributed to political and corporate changes that included the resignation of South Africa's president in February 2018.

We have helped others do and develop

investigative journalism by hosting some 80 fellows and presenting numerous workshops. Some of our alumni went on to found centres like ours elsewhere in Southern Africa. We have supported and collaborated with those centres, and scaled up the support by spinning off a separate non-profit we are incubating, the IJ Hub, in 2019.

Our advocacy has secured information flows for journalists and the public at large. We helped found the campaign that stopped the 'Secrecy Bill'; secured legislative amendments including to make company ownership transparent; litigated successfully including to preserve the public status of court records and have unduly intrusive state surveillance practices struck down; and improved access-to-information law by exercising it in and out of the courts.

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