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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is hereby given that an extraordinary general meeting of The SPAR Group Limited (“**the company**”) will be held in the company’s boardroom, 22 Chancery Lane, Pinetown, Durban, South Africa on 24 March 2016 at 10h00 for the purpose of considering and, if deemed fit, passing the following ordinary resolution:

### **PROPOSED ORDINARY RESOLUTION – GENERAL ISSUE OF SHARES FOR CASH**

“RESOLVED THAT ordinary resolution number 7 (authority to issue shares for business purposes) which was adopted at the annual general meeting of the company held on 9 February 2016 be, and is hereby, substituted by the following proposed resolution:

‘RESOLVED THAT, subject to the limitations, where applicable, of the Memorandum of Incorporation of the company, to the Companies Act, No. 71 of 2008 (“**the Companies Act**”) and the JSE Listings Requirements, the directors are hereby authorised, by way of a general authority, to allot and issue on a non- pro rata basis ordinary shares in the capital of the company for cash, as and when suitable situations arise, subject to the following limitations:

- the equity securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue of shares shall be to “public shareholders” as defined by the JSE Listings Requirements and not to “related parties”;
- this authority shall only be valid until the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this extraordinary general meeting;
- an announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue of shares representing, on a cumulative basis within the period of this authority, 5% or more of the number of ordinary shares in issue prior to the issue;
- issues of shares (excluding issues of shares exercised in terms of any Spar share incentive scheme) in any one financial year, shall not, in aggregate, exceed 14 000 000 ordinary shares equating to 8.1% of the number of ordinary shares in the company’s issued ordinary share capital (excluding treasury shares) at the date of notice of this extraordinary general meeting, provided that:
  - o any equity securities issued under this authority during the period must be deducted from the number above;
  - o in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio;
  - o the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of notice of this extraordinary general meeting, excluding treasury shares;
- any such general issues are subject to exchange control regulations and approval at that point in time; and
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price on the JSE Limited of ordinary shares measured over the 30 business days prior to the date that the price of issue is determined or agreed between the company and the party/ies subscribing for the shares.”

## **Reasons and effect and board recommendation**

The board of directors of the company continuously evaluates the optimal capital structure for the business as well as value-enhancing bolt-on opportunities.

In August 2014, the company utilised balance sheet capacity to acquire 80% of TIL JV Ltd, the holding company of the BWG group of companies, for EUR55 million (R799 million at an exchange rate of R14.50 per Euro). In addition, as set out in the cautionary announcement released on SENS on 24 February 2016, shareholders are advised that the company has entered into negotiations which, if successfully concluded, may have a material effect on the price of the company's securities. The company will release a further announcement with details of the proposed transaction on or about 11 March 2016 so that shareholders will be appropriately informed prior to the extraordinary general meeting.

The effect of the proposed resolution is that the directors will be able to issue the authorised but unissued ordinary shares in the capital of the company for cash, as and when suitable opportunities arise, subject to the requirements of the JSE, the restrictions/conditions set out in the authority, the Companies Act and the Memorandum of Incorporation of the company. The board of directors recommends that shareholders vote in favour of the proposed resolution as it provides management with the tools required to optimally manage the business.

The effect of the proposed resolution is to substitute ordinary resolution 7 which was adopted at the annual general meeting of the company held on 9 February 2016 (in terms of which the board of directors of the company is authorised to issue a specified number of shares other than for cash) with a resolution authorising the board to issue a specified number of shares for cash on a non- pro rata basis. If the resolution is not passed at the extraordinary general meeting, the authority granted at the annual general meeting of the company in terms of resolution 7 will continue to apply.

## **Percentage of voting rights required**

The percentage of voting rights that will be required for the adoption of the ordinary resolution is the support of at least 75% of the voting rights exercised on the resolution at a properly constituted meeting of the company's shareholders.

## **RECORD DATE**

The record date that has been set by the board for the purpose of determining which shareholders are entitled to participate in, and vote at, the meeting, is 18 March 2016. Accordingly, the last day to trade in order for a shareholder to be eligible to vote at the meeting is 11 March 2016.

## **VOTING AND PROXIES**

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder.

Proxy forms must be forwarded to reach the company's transfer secretaries, Link Market Services South Africa (Pty) Ltd, PO Box 4844, Johannesburg, 2000, by no later than 10h00 on 22 March 2016. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised shares with "own name" registration. A proxy form is attached.

Subject to the rights and other terms associated with any class of shares, on a poll every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their CSDP or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

**IDENTIFICATION**

Section 63(1) of the Companies Act requires meeting participants to provide the person presiding over the meeting with satisfactory identification.

**ELECTRONIC COMMUNICATION**

Shareholders may participate (but not vote) electronically in the extraordinary general meeting. Shareholders wishing to participate in the meeting electronically should contact the company secretary on kevin.obrien@spar.co.za or +27 31 719 1811 not less than 5 (five) business days prior to the meeting. Access to the meeting by way of electronic participation will be at the shareholder's expense. Only persons physically present at the meeting or represented by a valid proxy shall be entitled to cast a vote on any matter put to a vote of shareholders.

By order of the board

**KJ O'Brien**

*Company Secretary*

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## CORPORATE INFORMATION

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**Company name**

The SPAR Group Limited  
Registration number  
1967/001572/06  
JSE code: SPP  
ISIN: ZAE000058517

**Company Secretary**

KJ O'Brien  
Appointed Company Secretary 2006

**Business address**

22 Chancery Lane Pinetown  
3610

**Postal address**

PO Box 1589  
Pinetown  
3600

Telephone: +27 31 719 1900  
Facsimile: +27 31 719 1990  
Website: [www.spar.co.za](http://www.spar.co.za)

**Banker**

First National Bank  
PO Box 4130  
Umhlanga Rocks  
4320

**Attorneys**

Garlicke & Bousfield  
PO Box 1219  
Umhlanga Rocks  
4320

**Auditors**

Deloitte & Touche  
PO Box 243  
Durban  
4000

**Transfer Secretaries**

Link Market Services South Africa (Pty) Limited  
PO Box 4844  
Johannesburg  
2000

**Sponsor**

One Capital  
PO Box 784573  
Sandton  
2146



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## FORM OF PROXY

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THE SPAR GROUP LIMITED  
Registration number: 1967/001572/06  
JSE code: SPP  
ISIN: ZAE000058517  
("SPAR")

Only for use by members who have not dematerialised their shares or members who have dematerialised their shares with "own name" registration.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the meeting.

For use by SPAR shareholders at the extraordinary general meeting of the company to be held in the company's boardroom, 22 Chancery Lane, Pinetown, Durban, South Africa on 24 March 2016 at 10h00.

I/We \_\_\_\_\_

of \_\_\_\_\_ (address)

being the holder/s of \_\_\_\_\_ shares, appoint (see note 1 and 2)

1. \_\_\_\_\_ or failing him/her/it;
2. \_\_\_\_\_ or failing him/her/it;
3. the chairman of the extraordinary general meeting

as, my/our proxy to act for me/us on my/our behalf at the extraordinary general meeting which will be held for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolution to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolution and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions:

	For	Against	Abstain
General authority to issue shares for cash			

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature \_\_\_\_\_

Completed forms of proxy must be received at the office of the company's transfer secretaries, Link Market Services South Africa (Pty) Ltd, PO Box 4844, Johannesburg, 2000, by no later than 10h00 on 22 March 2016.

## **NOTES TO THE FORM OF PROXY**

1. A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.
2. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the extraordinary general meeting as he/she deems fit. A member may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the extraordinary general meeting.
3. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company's share registrar or waived by the chairman of the extraordinary general meeting.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
5. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the company's transfer secretaries.
6. The chairman of the extraordinary general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the extraordinary general meeting is satisfied as to the manner in which the member wishes to vote.
7. A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
8. A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
9. The appointment is revocable unless the proxy appointment expressly states otherwise. If the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the proxy and to the company.
10. The proxy appointment remains valid only until the end of the extraordinary general meeting or any adjournment thereof.



[www.spar.co.za](http://www.spar.co.za)