

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (**AGM**) of shareholders of The SPAR Group Ltd (the **company**) is scheduled to be held in the company's boardroom, 22 Chancery Lane, Pinetown, Durban, South Africa on Tuesday, 11 February 2020 at 09:00 for the purpose of conducting the following items of business:

ORDINARY BUSINESS

Shareholders will be requested to consider and, if deemed fit, to pass (with or without modification) the following ordinary resolutions. The percentage of voting rights that will be required for the adoption of each ordinary resolution below is the support of more than 50% of the voting rights exercised on the resolution at a properly constituted meeting of the company's shareholders:

1. Ordinary resolution number 1 – Adoption of the annual financial statements

"Resolved that the annual financial statements for the year ended 30 September 2019, incorporating the directors' report, Audit Committee report and independent auditor's report, be and are hereby adopted."

The annual financial statements of the company are available on the company's website at <http://investor-relations.spar.co.za>.

2. Ordinary resolution number 2 – Appointment of an independent non-executive director

"Resolved that the appointment of Lwazi Koyana as an independent non-executive director of the company with effect from 14 May 2019, be and is hereby ratified and confirmed."

The Nomination Committee assessed the eligibility of Lwazi as a member of the board of directors (**board**) and the board accepted the result of the assessment. Accordingly, the board recommends his appointment to shareholders.

A brief *curriculum vitae* for Lwazi can be found on page 40 of the abridged integrated report of which this notice forms part.

3. Ordinary resolution number 3 – Re-election of non-executive directors retiring by rotation

"Resolved that, each by way of a separate vote, the following non-executive directors who retire in terms of the company's Memorandum of Incorporation (**MOI**), but being eligible, offer themselves for re-election, be and are hereby re-elected:

3.1 Harish Mehta;

3.2 Phumla Mnganga; and

3.3 Andrew Waller."

The Nomination Committee conducted an assessment of the performance of each of the retiring directors and the board accepted the results of the assessments. Accordingly, the board recommends their re-election to shareholders.

Brief *curricula vitae* for Harish, Phumla and Andrew can be found on page 40 of the abridged integrated report of which this notice forms part.

4. Ordinary resolution number 4 – Re-election of the independent external auditor

"Resolved that, PricewaterhouseCoopers Inc. as approved by the Audit Committee and recommended to shareholders, be re-elected as the independent external audit firm of the company, and that Sharalene Randelhoff be appointed as the designated individual audit partner, to hold office for the ensuing financial year."

5. Ordinary resolution number 5 – Election of the members of the Audit Committee

"Resolved that, the following independent non-executive directors be and are hereby elected, each by way of a separate vote, as members of the Audit Committee of the company with immediate effect until the conclusion of the next AGM of the company:

5.1 Marang Mashologu;

5.2 Harish Mehta, subject to the adoption of the proposed ordinary resolution number 3.1; and

5.3 Andrew Waller (chairman), subject to the adoption of the proposed ordinary resolution number 3.3."

The Nomination Committee conducted an assessment of the performance of each of the members and the board accepted the results of the assessments. Accordingly, the board recommends their election as members of the Audit Committee to shareholders.

Brief *curricula vitae* for Marang, Harish and Andrew can be found on page 40 of the abridged integrated report of which this notice forms part.

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6. Ordinary resolution number 6 – Authority to issue shares for the purpose of share options

Note: The SPAR Group Ltd Employee Share Trust (2004) (the **Trust**) scheme closed in 2014 for the issuing of further share options and option holders have 10 years from date of issue to exercise their option rights.

Pursuant to the granting of share options by the Trust, and in the event of any of the option holders exercising his/her rights thereto, authority is sought to place the issuing of the necessary shares under the control of the directors.

“Resolved that, such number of the ordinary shares in the authorised but unissued capital of the company required for the purpose of satisfying the obligations of the Trust to option holders, be and are hereby placed under the control of the directors, who are hereby, as a specific authority, authorised to issue those shares in terms of the Trust Deed.”

Reason and effect

This resolution is required to facilitate, in terms of the requirements of the MOI of the company, the issue of the requisite number of ordinary shares to the Trust so as to enable it to meet its obligations to holders of the relevant share options when such options are exercised.

7. Ordinary resolution number 7 – Authority to issue shares for the purpose of the CSP

“Resolved that, such number of the ordinary shares in the authorised but unissued capital of the company, required for the purpose of The SPAR Group Ltd Conditional Share Plan (**CSP**), be and are hereby placed under the control of the directors, who are hereby, as a specific authority, authorised to issue those shares in terms of the rules of the CSP.”

Reason and effect

This resolution is required to facilitate, in terms of the requirements of the MOI of the company, the issue of the requisite number of ordinary shares in terms of the rules of the CSP. The intended settlement method of the CSP is a market purchase of shares, which will result in no dilution to shareholders. The rules of the CSP, however, are flexible in order to allow for settlement by way of a market purchase of shares, the use of treasury shares or the issue of shares and this resolution, if passed, will facilitate an award under the CSP being made by an issue of shares if, for whatever reason, this least preferred settlement method is used. The company has not previously had to resort to a fresh issue of shares for these purposes.

8. Ordinary resolution number 8 – Non-binding advisory vote on the remuneration policy

“Resolved that, by way of a non-binding advisory vote, the remuneration policy of the company, as contained in the Remuneration Committee report, be and is hereby endorsed.”

To the extent that 25% or more of the votes cast be against this non-binding advisory resolution, the Remuneration Committee undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

9. Ordinary resolution number 9 – Non-binding advisory vote on the remuneration implementation report

“Resolved that, by way of a non-binding advisory vote, the remuneration implementation report of the company, as contained in the Remuneration Committee report, be and is hereby endorsed.”

To the extent that 25% or more of the votes cast be against this non-binding advisory resolution, the Remuneration Committee undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

SPECIAL BUSINESS

Shareholders will be requested to consider and, if deemed fit, to pass (with or without modification) the following special resolutions. The percentage of voting rights that will be required for the adoption of each special 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:

10. Special resolution number 1 – Financial assistance to related or inter-related companies

"Resolved that directors of the company, in terms of provision 45 of the Companies Act, 71 of 2008, as amended (**Companies Act**), be and are hereby authorised to cause the company to provide any financial assistance, whether by lending money, guaranteeing a loan or other obligation and/or securing any debt or obligation, to any of its subsidiary companies or other related or inter-related companies, during the period from 1 March 2020 to 28 February 2021."

Reason and effect

This resolution is required in order to comply with the requirements of section 45 of the Companies Act, which provides that a special resolution is required to provide such assistance either for the specific recipient, or generally for a category of potential recipients and the specific recipient falls with that category.

11. Special resolution number 2 – Non-executive directors' fees

"Resolve that the exclusive of VAT (if applicable) fees of non-executive directors of the company for the 12-month period from 1 March 2020 to 28 February 2021, be and are hereby approved, as follows:

	Current R	Proposed R
Board directors		
Chairman (including his participation in all committees)	1 410 000	1 620 000
Member	445 000	470 000
Audit Committee		
Chairman	225 000	263 000
Member	110 000	127 000
Risk Committee		
Chairperson	130 000	155 000
Member	90 000	110 000
Social and Ethics Committee		
Chairperson	130 000	151 000
Member	90 000	99 000
Remuneration Committee		
Chairman	130 000	151 000
Member	90 000	98 000
Nomination Committee		
Chairman	130 000	146 000
Member	90 000	98 000

Reason and effect

This resolution is required in order to comply with the requirements of sections 65(11)(h) and 66(9) of the Companies Act, which provides that a special resolution is required to authorise the basis for compensation to directors of a profit company.

The proposed fees have been determined pursuant to a benchmarking exercise undertaken by the Remuneration Committee.

12. To transact such other business as may be transacted at an AGM

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RECORD DATE

The record date that has been set by the board for the purpose of determining which shareholders are entitled to:

- receive this notice as Friday, 13 December 2019 (being the date on which a shareholder must be registered in the company's securities register in order to receive this notice); and
- participate in, and vote at, the AGM as Friday, 31 January 2020. Accordingly, the last day to trade in order for a shareholder to be eligible to vote at the AGM is Tuesday, 28 January 2020.

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.

Forms of proxy should 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 09:00 Friday, 7 February 2020. Thereafter, a proxy form must be handed to the Chairman of the AGM before the appointed proxy may exercise any rights of the shareholder at the AGM. 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 presents 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 letter of 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 electronically in the AGM, provided that electronic participants shall not be entitled to cast a vote on any matter put to a vote of the shareholders. Shareholders wishing to participate in the AGM electronically should contact the Company Secretary by email to mandy.hogan@spar.co.za not less than 5 (five) business days prior to the AGM. Access to the AGM 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

Mandy Hogan
Company Secretary

12 November 2019

FORM OF PROXY

THE SPAR GROUP LTD

Registration number 1967/001572/06

JSE code: SPP

ISIN: ZAE000058517

(SPAR or the company)

For use by certificated and own name dematerialised SPAR shareholders (shareholders) at the AGM of the company to be held in the company's boardroom, 22 Chancery Lane, Pinetown, Durban, South Africa on Tuesday, 11 February 2020 at 09:00 for the purpose of conducting the following items of business:

I/We _____

of _____ (address)

being the holder/s of _____ shares, appoint (see note 1)

1. _____ or failing him/her/it;

2. _____ or failing him/her/it;

3. the Chairman of the AGM

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

		Insert an 'X' or the number of shares with which you wish to vote		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of the annual financial statements			
2.	Appointment of Lwazi Koyana as an independent non-executive director			
3.	Re-election of non-executive directors retiring by rotation			
3.1	Harish Mehta			
3.2	Phumla Mnganga			
3.3	Andrew Waller			
4.	Re-election of the independent external auditor			
5.	Election of the members of the Audit Committee			
5.1	Marang Mashologu			
5.2	Harish Mehta			
5.3	Andrew Waller (chairman)			
6.	Authority to issue shares for the purpose of share options			
7.	Authority to issue shares for the purpose of the CSP			
8.	Non-binding advisory vote on the remuneration policy			
9.	Non-binding advisory vote on the remuneration implementation report			
SPECIAL BUSINESS				
10.	Financial assistance to related or inter-related companies			
11.	Non-executive directors' fees			

Signed at _____ on this _____ day of _____ 2020

Signature _____

NOTES TO THE FORM OF PROXY

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 09:00 on Friday, 7 February 2020.

1. 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 AGM 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 AGM.
2. 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 AGM.
3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
4. 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.
5. The Chairman of the AGM may accept any form of proxy which is completed other than in accordance with these notes if the Chairman of the AGM is satisfied as to the manner in which the member wishes to vote.

SUMMARY OF RIGHTS OF SHAREHOLDERS

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise;
- if the instrument appointing a proxy has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's Memorandum of Incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing; and (ii) paid any reasonable fee charged by such company for doing so;
- if a company issues an invitation to its shareholders to appoint 1 (one) or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
 - the invitation or form of proxy instrument supplied by the company must:
 - o bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
 - o contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
 - o provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
- the company must not require that the proxy appointment be made irrevocable; and
- the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.