

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to shareholders that the annual general meeting (**AGM**) 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, 16 February 2021 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 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 2020, 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 EXECUTIVE DIRECTOR

"Resolved that the appointment of Brett Botten, the current Managing Director of SPAR South Rand, as the Group CEO with effect from 1 March 2021, be and is hereby confirmed."

The Nomination Committee conducted an assessment of the eligibility of Brett as a member of the board of directors (**board**) and Group CEO and the board accepted the results of the assessment. Accordingly, the board recommends his appointment to shareholders.

A brief *curriculum vitae* for Brett can be found on page 103 of the integrated report of which this notice of AGM (**notice**) forms part.

3. ORDINARY RESOLUTION NUMBER 3 – APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

"Resolved that the appointment of Graham O'Connor as a non-executive director of the company with effect from 1 March 2021, be and is hereby confirmed."

The Nomination Committee assessed the eligibility of Graham as a member of the board and the board accepted the result of the assessment. Accordingly, the board recommends his appointment to shareholders.

A brief *curriculum vitae* for Graham can be found on page 93 of the integrated report of which this notice forms part.

4. ORDINARY RESOLUTION NUMBER 4 – RE-ELECTION OF NON-EXECUTIVE DIRECTOR RETIRING BY ROTATION

It is recorded

- That Mike Hankinson and Marang Mashologu retire as independent non-executive directors of the company in terms of the company's Memorandum of Incorporation (**MOI**)
- That Mike, being eligible does not offer himself for re-election and will retire as an independent non-executive director with effect from the conclusion of the AGM
- That Marang, being eligible offers herself for re-election

"Resolved that Marang Mashologu be and is hereby re-elected."

The Nomination Committee conducted an assessment of the performance of Marang and the board accepted the results of the assessment. Accordingly, the board recommends her re-election to shareholders.

A brief *curriculum vitae* for Marang can be found on page 92 of the integrated report of which this notice forms part.

5. ORDINARY RESOLUTION NUMBER 5 – 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 Thomas Howatt be appointed as the designated individual audit partner, to hold office for the ensuing financial year."

6. ORDINARY RESOLUTION NUMBER 6 – RE-ELECTION OF THE MEMBERS OF THE AUDIT COMMITTEE

"Resolved that the following independent non-executive directors be and are hereby re-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:

6.1 Marang Mashologu, subject to the adoption of the proposed ordinary resolution number 4

6.2 Harish Mehta

6.3 Andrew Waller (Chairman)"

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

Brief *curricula vitae* for Marang, Harish and Andrew can be found on page 92 of the integrated report of which this notice forms part.

Notice of annual general meeting (continued)

7. ORDINARY RESOLUTION NUMBER 7 – 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 their 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 is 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, 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.

8. ORDINARY RESOLUTION NUMBER 8 – 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 is 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, 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.

9. ORDINARY RESOLUTION NUMBER 9 – 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.

10. ORDINARY RESOLUTION NUMBER 10 – 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 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:

11. 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, No. 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 2021 to 28 February 2022.”

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 within that category.

12. SPECIAL RESOLUTION NUMBER 2 – NON-EXECUTIVE DIRECTORS' FEES

"Resolved that the exclusive of VAT (if applicable) fees of non-executive directors of the company for the 12-month period from 1 March 2021 to 28 February 2022, be and are hereby approved, as follows:

	Current R	Proposed R
Board directors		
Chairman (including his participation in all committees)	1 620 000	1 685 000
Lead independent (including his participation in all committees)	–	1 300 000
Member	470 000	489 999
Audit Committee		
Chairman	263 000	274 000
Member	127 000	132 000
Risk Committee		
Chairperson	155 000	161 000
Member	110 000	114 000
Social and Ethics Committee		
Chairperson	151 000	157 000
Member	99 000	103 000
Remuneration Committee		
Chairman	151 000	157 000
Member	98 000	102 000
Nomination Committee		
Chairman	146 000	157 000
Member	98 000	102 000

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 provide that a special resolution is required to authorise the basis for compensation to directors of a profit company.

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

13. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN AGM

RECORD DATE

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

- Receive this notice is Friday, 11 December 2020 (being the date on which a shareholder must be registered in the company's securities register in order to receive this notice).
- Participate in, and vote at, the AGM is Friday, 5 February 2021. Accordingly, the last day to trade in order for a shareholder to be eligible to vote at the AGM is Tuesday, 2 February 2021.

COVID-19 PROTOCOLS

The following COVID-19 protocols will be observed at the AGM:

- Do not attend the meeting if you are unwell, have a fever, cough or respiratory symptoms.
- Undertake regular preventative measures such as cough etiquette and regular handwashing and sanitising.
- A COVID-19 visitors form will be completed upon arrival at the offices and temperature will be tested prior to accessing the offices. Should the temperature be in excess of 37.3°C, entrance to the office park will be denied.
- Masks are compulsory.
- Social distancing guidelines will be enforced.

Notice of annual general meeting (continued)

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 AGM 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, 12 February 2021. Thereafter, a form of proxy must be handed to the Chairman of the AGM before the appointed proxy may exercise any rights of the shareholder at the AGM. Forms of proxy must only be completed by shareholders who have not dematerialised their shares or who have dematerialised shares with own name registration.

A form of proxy 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 central securities depository participant (**CSDP**) or broker in the manner and time stipulated in their agreement:

- To furnish them with their voting instructions
- 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 on 031 719 1760 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 AGM 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

14 December 2020