

THE SPAR GROUP LIMITED

Incorporated in the Republic of South Africa

(Registration number 1967/001572/06)

Share code: SPP

ISIN code: ZAE000058517

("SPAR" or "Company")

NOTICE PURSUANT TO SECTION 45(5) OF THE COMPANIES ACT NO. 71 OF 2008 ("COMPANIES ACT")

- 1 This is a notice pursuant to section 45(5) of the Companies Act.
- 2 On 15 February 2022, SPAR shareholders approved a special resolution, pursuant to section 45 of the Companies Act, authorising the board of directors ("Board") 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 or persons.
- 3 Section 45(5) of the Companies Act requires a company to provide written notice to its shareholders of the adoption of a Board resolution to provide financial assistance if, *inter alia*, the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution during the same financial year, exceeds one-tenth of 1% of the company's net worth at the time of the resolution.
- 4 Notice is hereby provided that:
 - 4.1 on 7 June 2022, the Board had adopted resolutions providing the following financial assistance totaling approximately R155.5 million to the following related or inter-related entities:
 - subordination of shareholder loan accounts of wholly owned subsidiaries, SPAR Retail Stores Proprietary Limited and Kaplian Trading Proprietary Limited; and
 - payment to The SPAR Group Limited Employee Share Trust (2004) ("Trust") in order for the Trust to meet its obligations under the Share Option Scheme;
 - 4.2 the Board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act; and
 - 4.3 the Board is satisfied that the terms under which the financial assistance is proposed to be given, are fair and reasonable to the Company.
- 5 This notice is provided because the value of the financial assistance referred to in paragraph 4 exceeds the threshold stated in paragraph 3.

Pinetown

15 June 2022

Sponsor

One Capital