

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 On 14 February 2023, SPAR shareholders approved a special resolution, pursuant to section 45 of the Companies Act, authorising the SPAR 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.
- 2 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 ("**Notice**").
- 3 Accordingly, Notice is hereby provided wherein SPAR shareholders are advised that:
 - 3.1 at its meeting on 14 February 2023, the Board had adopted resolutions providing the following financial assistance totaling approximately R129.2 million to the following related or inter-related entities:
 - subordination of shareholder loan accounts of the following wholly owned subsidiaries of the Company: SPAR Retail Stores Proprietary Limited and Annison 45 Proprietary Limited; and
 - payment to The SPAR Group Limited Employee Share Trust (2004) ("**Trust**") in order for the Trust to acquire the Company's shares in the market and meet its obligations under the Share Option Scheme;
 - 3.2 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
 - 3.3 the Board is satisfied that the terms under which the financial assistance is proposed to be given, are fair and reasonable to the Company.

Pinetown

15 February 2023

Sponsor

One Capital