

SPAR is a public company incorporated in South Africa and listed on the JSE and accordingly adheres to the Companies Act and Regulations requirements, as amended, the JSE Listings Requirements and King IV.

The SPAR board is the custodian of corporate governance and plays a prominent role in the group's strategic development, risk management and sustainability processes. The board understands that adhering to the highest standards of corporate governance is fundamental to the sustainability of the SPAR business. Business practices are conducted in good faith and in the best interest of the company and its stakeholders.

The board supports the governance outcomes, principles and practices of King IV and applies the applicable King IV principles. Our disclosures in terms of King IV are fully integrated with our reporting elements and are aligned to the following clusters:

Principle cluster	Detail	Page
Leadership, ethics and corporate citizenship	Chairman's message	32
	Group CEO's report	36
	CFO's report	64
	Social and Ethics Committee report	140
	Environmental and social supplementary report	(Separate report)
Strategy, performance and reporting	Value creation and strategy	49
	CFO's report	64
Governing structures and delegation	Governance	95
Governance functional areas	Committee reports	106
Stakeholder relationships	Our material relationships	26
	Environmental and social supplementary report	(Separate report)

In addition to the information contained in this report, a King IV register is available online (<https://thespargroup.com>), summarising the principles and providing stakeholders with links and references in support of the principles in one place.

BOARD GOVERNANCE STRUCTURE

The general powers of the board and the directors are conferred in the company's Memorandum of Incorporation (MOI). The board's terms of reference are set out in the company's board charter, which is reviewed annually by the board. The board charter sets out the powers and authority of the board and provides a clear and concise overview of the roles and responsibilities of board members.

The board has established standing committees, as set out in the governance framework, to promote independent judgement, assist with the balance of power and assist the board with effectively fulfilling its responsibilities in accordance with the provisions of its board charter.

The board committees are governed by a delegation of authority framework, which is reviewed annually and sets out the matters reserved for determination by shareholders, the board and those delegated to management and the executive committees. The board is satisfied that the governance structure is appropriate and the governance and authority frameworks provide clarity and contribute to effective control and performance of the group.

To ensure conflicts of interest are avoided, board members annually update the general disclosure of their personal financial interests in terms of the Companies Act and are reminded at the commencement of every board and committee meeting that they are required to declare any material personal financial interest they may have in contracts entered into or authorised by the company.

promotion of broader diversity at board level, and the board promotes diversity through the diversity indicators of knowledge, skill, experience, age, culture, race and gender and sets voluntary targets in respect of race and gender.

See a summary of the board's diversity aspects below and read the board members' profiles on pages 96 to 99.

BOARD COMPOSITION

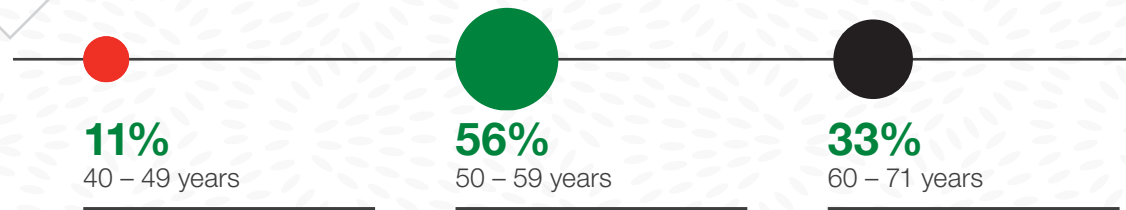
During the financial year, the board comprised nine directors, comprising two executive directors and seven non-executive directors, six of whom are classified as independent. The Chairman is a non-executive director and is not classified as independent. As such, the board has elected one of the existing independent non-executive directors to act in the capacity of lead independent director of the board. The board has a policy on the

Non-executive directors bring an independent judgement to bear on issues of strategy, performance and resources, and act in the interest of the company's stakeholders. Executive directors provide insight into day-to-day operations and are responsible for implementing strategy and all operational decisions.

Information relating to the board's diversity, independence and performance can be found in the Nominations Committee report on page 111.



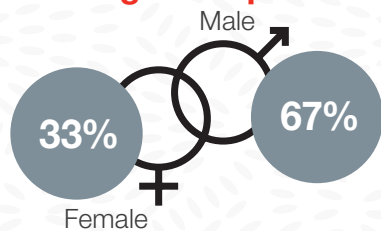
Board age profile



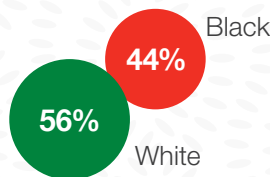
Executive vs non-executive vs independence profile



Board gender profile

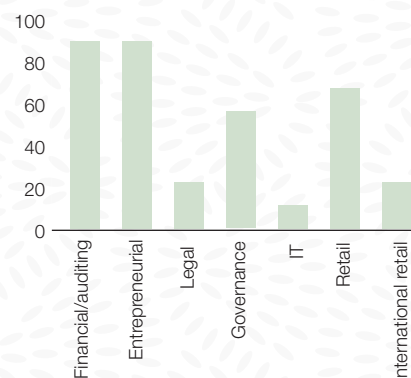


Board race* profile

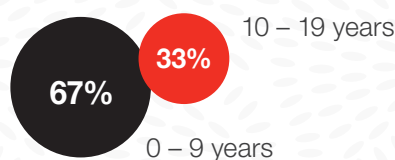


* Black as defined by the B-BBEE Act, No. 53 of 2003.

Board skills and expertise (%)



Board tenure profile



Our corporate governance framework below illustrates the structures, processes and practices the board uses to direct and manage the group's operations.



SHAREHOLDERS AND OTHER STAKEHOLDERS

BOARD

Provides oversight of the management and governance of the company, monitors executive management's performance and provides strategic direction and leadership in line with the company's value system to ensure its sustainability. The Company Secretary supports board members by providing guidance on fulfilling their responsibilities as directors in the best interest of SPAR.



AUDIT COMMITTEE

Provides oversight of the effectiveness of assurance functions and services, focusing on combined assurance, including external assurance service providers, internal audit and the finance function, and the integrity of the annual financial statements and certain other external reports issued.



RISK COMMITTEE

Provides oversight of risk governance, technology and information governance, and compliance governance.



SOCIAL AND ETHICS COMMITTEE

Provides oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.



NOMINATIONS COMMITTEE

Provides oversight of the process for nominating and electing board and committee members; board, committee and senior management succession planning; induction and continuous training of board members; and the evaluation of the board's performance, its committees and individual members.



REMUNERATION COMMITTEE

Provides oversight of the company's remuneration and implementation policy, and remuneration of executive and senior management.

EXECUTIVE MANAGEMENT

EXECUTIVE COMMITTEES

Assist the Group CEO to implement the strategy and objectives of SPAR and carry out the group's day-to-day activities.

DIVISIONAL/OPERATIONAL

Various regional, executive, departmental, operational, and project committees and forums.

THE SPAR GUILD OF SOUTHERN AFRICA

THE BUILD IT GUILD OF SOUTHERN AFRICA

SOCIAL AND ETHICS COMMITTEES
REGIONAL GUILD COMMITTEES

BOARD COMMITTEES

The board delegates oversight of certain roles and responsibilities to board committees but understands the delegation of its responsibilities will not by or of itself constitute a discharge of the board's accountability. The board committees' responsibilities and key focus areas are set out in each committee's report.

With the exception of the Nominations Committee, which is chaired by the Chairman of the board, all other committees are chaired by an independent non-executive director and have their own terms of reference. The terms of reference set out the committees' composition, roles and responsibilities, functions and authority. The committees report to the board at each board meeting and make recommendations in accordance with their terms of reference.

Committee members' attendance is recorded below.

The effectiveness of the committees is assessed by way of a self-evaluation review every two years, which was performed in 2021. The board is satisfied the committees fulfilled their responsibilities in respect of their respective terms of reference.

From time to time, the board may appoint and authorise *ad hoc* committees, comprising the appropriate board members, to perform specific tasks as required.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The board values independent judgement and requires that each board member prepare, participate and contribute at each meeting. Board members are provided with relevant information on the group's strategies, plans and performance, and must devote sufficient time and effort to prepare for meetings. The Company Secretary prepares agendas of meetings in accordance with approved annual work plans and in consultation with the respective chairs.

To continually improve non-executive directors' understanding of the company's operating divisions, a board meeting is held at least once a year at a distribution centre, usually in August. The August board meeting for this year was held at the KwaZulu-Natal distribution centre. Meetings held during the financial year were as follows:

	Board	Audit Committee	Nominations Committee	Remuneration Committee	Risk Committee	Social and Ethics Committee
Number of meetings held	5	2	3	3	2	2
Attendance by directors as members						
Non-executive directors						
Mike Hankinson ¹	2	n/a	2	2	n/a	n/a
Graham O'Connor ²	5	n/a	1	1	1	1
Jane Canny ³	2	n/a	n/a	n/a	1	1
Lwazi Koyana	5	n/a	n/a	n/a	2	2
Marang Mashologu	5	2	n/a	n/a	2	n/a
Phumla Mnganga	5	n/a	3	3	n/a	2
Harish Mehta	5	2	3	3	2	n/a
Andrew Waller	5	2	n/a	n/a	2	n/a
Executive directors						
Brett Botten ⁴	3	n/a	n/a	n/a	1	1
Mark Godfrey	5	n/a	n/a	n/a	2	n/a

¹ Mike Hankinson retired in February 2021.

² Graham O'Connor replaced Mike Hankinson as Chairman of the board and Nominations Committee, and member of the Remuneration Committee effective 1 March 2021.

³ Jane Canny was appointed to the board and as a member of the Risk and Social and Ethics committees effective 1 May 2021.

⁴ Brett Botten replaced Graham O'Connor as Group CEO and member of the Risk and Social and Ethics committees effective 1 March 2021.

By invitation only:

- The Chairman and CEO of the Board attended all committee meetings
- Andrew Waller attended all meetings of the Nominations Committee and Remuneration committee, in his capacity as the Lead Independent Director
- Mark Godfrey, in his capacity as CFO, attended all Audit Committee meetings

EXECUTIVE MANAGEMENT

Brett Botten replaced Graham O'Connor as Group CEO effective 1 March 2021 and is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the link between executive management and the board. The Group CEO is accountable to the board, and the board evaluates the Group CEO's performance annually.

There are five executive committees: the SPAR Group Executive Committee, the BWG Foods Executive Committee, the SPAR Switzerland Executive Committee, the SPAR Poland Executive Committee and the SPAR Sri Lanka Executive Committee. These committees are responsible for implementing the company's strategy and carrying out the group's day-to-day activities. The membership, qualifications and experience of the Executive Committee

members are available online. In addition, an IT Steering Committee is also constituted, which oversees the company's SAP programme implementation and digital transformation strategy. In light of the risks relating to the SAP programme, non-executive director of the board, Jane Canny, has been appointed as a member of the IT Steering Committee.

COMPANY SECRETARY

All directors have access to the services and advice of the Acting Company Secretary, Kevin O'Brien (BA, LLB, BSocSc (Hons), Mst (Cantab)), who was assessed upon appointment as being competent, suitably qualified and experienced. Kevin was the previous Company Secretary before being appointed as the Group Risk and Sustainability Executive. The Acting Company Secretary is not a director of the company and accordingly maintains an arm's length relationship with the board.