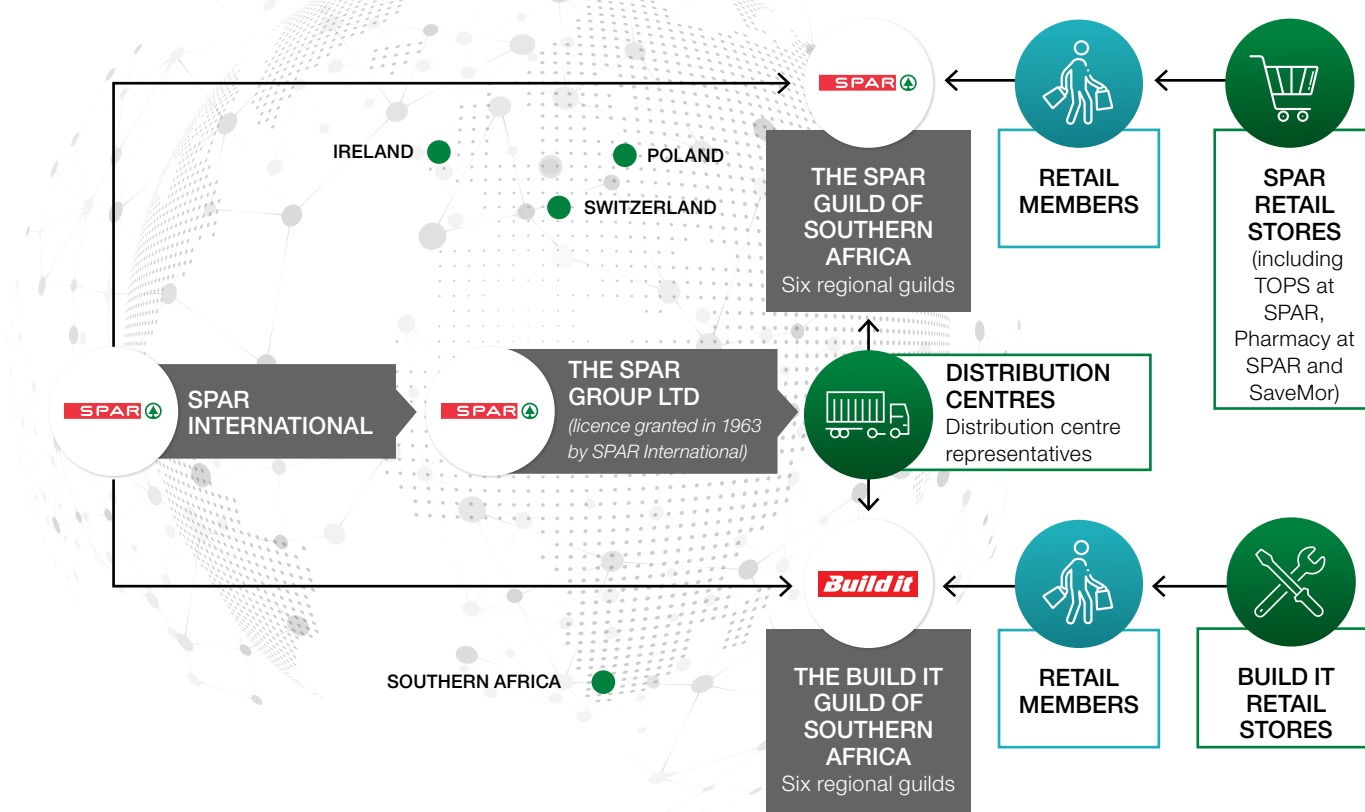


THE SPAR **GUILDS**

HOW THE SPAR GUILDS WORK IN SOUTH AFRICA

SPAR's relationship with South African retailers is structured according to the guild system. This guild system ensures every SPAR retail member is represented and given the opportunity to make representations at a local and national level on SPAR's marketing programme, support services and matters affecting SPAR retailers.



The SPAR Guild is a non-profit company that aims to:

- promote, implement and regulate voluntary trading by wholesalers and retailers;
- prescribe regulations and obligations regarding the implementation of voluntary trading that are binding for SPAR Guild members;
- promote and further the interests of SPAR Guild members;
- promote and foster co-operation among SPAR Guild members;
- promote service improvements to consumers in supplying groceries, provisions and general merchandise; and
- implement and enforce agreements in terms of which SPAR Guild members are granted the right to participate in a voluntary trading group using the names SPAR, TOPS at SPAR or Pharmacy at SPAR, and the trademarks relative thereto.

The SPAR Guild board comprises 11 retail and 11 wholesale members and holds at least three annual meetings. The SPAR Guild's Chairman is appointed by SPAR. The SPAR Guild has six regional committees, on which SPAR is represented by executive management of distribution centres. The regional guilds visit stores as part of their annual work plan.

Conrad Isaac (previous Managing Director of the Eastern Cape distribution centre) was appointed the Chairman of the SPAR Guild with effect from 1 October 2019 in place of Roelf Venter who retired.

The members pay subscriptions to the SPAR Guild, who uses these monies to advertise and promote SPAR. During the year, subscriptions of R10.9 million (2019: R9.6 million) were paid to the SPAR Guild.

As at 30 September 2020, the inter-company liability with SPAR amounted to R38.1 million (2019: R61.9 million) for the SPAR Guild and R4.9 million (2019: R5.5 million) for the Build it Guild. The liability is interest-free and unsecured, and no date is set for repayment.

The Build it Guild is a non-profit company that aims to:

- promote, implement and regulate voluntary trading by wholesalers and retailers;
- prescribe regulations and obligations regarding the implementation of voluntary trading that are binding for Build it Guild members;
- promote and further the interests of Build it Guild members;
- promote and foster co-operation among Build it Guild members;
- promote service improvements to consumers in supplying hardware, building materials and general merchandise; and
- implement and enforce agreements in terms of which Build it Guild members are granted the right to participate in a voluntary trading group using the name Build it.

The Build it Guild board comprises six retail and six wholesale members and holds at least three annual meetings. The Build it Guild's Chairman is appointed by SPAR. The Build it Guild has six regional committees, on which Build it is represented by executive management of the Build it division.

Rob Lister (previous Divisional Marketing Director of Build it) was appointed Managing Director of Build it and the Chairman of the Build it Guild with effect from 1 October 2019 in place of Wayne Hook who retired on 31 December 2019. The regional guilds visit stores as part of their annual work plan.

