

Spar To Sell 10 Percent Stake To Black Staff

Written by Rudi Prinsloo
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Spar will sell 10 percent of the company to its black employees, the listed supermarket group said on Thursday.

It put the value of the broad-based black economic empowerment (BBBEE) transaction at R1 billion.

In a statement, it said 10 percent of the company's equity would be issued to its employees and to the employees of its retailer members, the majority of whom were black.

"Spar recognises the important role its employees and its retailer members and their employees have played, and will continue to play, in the growth and success of the group," said Spar's CEO, Wayne Hook.

He added it was therefore fitting that employees should be empowered to become shareholders in the company so that they could participate in its future growth.

"We believe that as a major company operating in South Africa today, this deal is simply the right thing to do.

"What is crucial for us is that the deal be broad-based and, most importantly, that it will be achieved with a group of connected people who have a real interest in the future of the organisation," Hook said.

In terms of Spar's BBBEE proposal, 18.9 million redeemable, convertible preference shares with a par value of 0.06 cents a share would be issued to employees and retailer employees.

Forty percent of these new preference shares would be allocated to Spar's 2700 employees (excluding senior management) with the remaining 60 percent allocated to the 25,000 retailer member employees.

Spar said in terms of the scheme, shares would be issued to employees on a service-based criteria.

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