

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2020

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27408
(Commission
File No.)

33-0684451
(IRS Employer
Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY

10604

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (248) 364-7727

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	SGRP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SPAR Group, Inc. ("**SGRP**", the "**Corporation**" or the "**Registrant**") has listed its shares of Common Stock (the "**SGRP Shares**") for trading through the Nasdaq Stock Market LLC ("**Nasdaq**") under the trading symbol "**SGRP**" and periodically files reports with the Securities and Exchange Commission ("**SEC**").

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In 2019, SPAR provided a confidential bonus plan ("**2019 Bonus Plan**" or the "**Plan**") for approximately 29 individuals employed by SGRP ("**2019 Plan Employees**"), including SGRP's Executive Officers. The Compensation Committee (the "**Compensation Committee**") of SGRP's Board of Directors (the "**Board**") in 2019 approved the 2019 Bonus Plan for payment and the participants therein and formulas thereunder respecting the bonus plan amount(s) to be earned by the 2019 Plan Employees pursuant to the 2019 Bonus Plan. The Plan stipulated that such bonus plan amount(s) would not be reduced or affected by any related party expenses or payments. SGRP confirmed such participation and formulas in an individual letter to each 2019 Plan Employee and promised to and agreed with each 2019 Plan Employee to pay bonuses upon satisfaction of the bonus performance criteria stated therein (each a "**2019 Bonus Letter**").

Under the terms of the 2019 Bonus Plan, any annual bonus earned thereunder was to be paid out after the Company's 2019 financial results (the "**2019 Financial Results**") had been determined, audited and publicly communicated. No further approval of the Compensation Committee or Board was required or possible and no deferrals or changes could be made without the written agreement of the affected 2019 Plan Employee.

The 2019 Financial Results (i) were finalized and publicly communicated on March 27, 2020, and (ii) were included in SGRP's audited consolidated financial statements in its Annual Report on Form 10-K for 2019 as filed with the SEC on April 14, 2020 (the "**Annual Report**"), which Annual Report was approved by SGRP's Audit Committee and signed by a majority of the directors on the Board. The 2019 Financial Results included the components used to internally compute the EBITDA applicable to such bonus performance criteria. As a result, all 2019 Plan Employees, unconditionally and irrevocably earned their bonuses under the 2019 Bonus Plan and 2019 Bonus Letter and became unconditionally and irrevocably entitled to payment of such bonuses as of March 27, 2020 (collectively, the "**2019 Bonuses**").

On or about March 27, 2020, SGRP's management also began to realize that, while current cash availability was more than sufficient to pay the full 2019 Bonuses, there was uncertainty in SGRP's future cash flow realities in light of the global pandemic known as the new Coronavirus and COVID-19 (which event and effect was unforeseeable when the 2019 Bonus Plan was adopted and communicated), and that uncertainty was beginning to make current payment of any substantial amounts of the 2019 Bonuses administratively impracticable and inadvisable. SGRP's management has thus determined, with the consent of each affected 2019 Plan Employee pursuant to each Delayed Payment Agreement (as defined below), to temporarily suspend payments of the 2019 Bonuses under the 2019 Bonus Plan for all of the 2019 Plan Employees (collectively, the "**2019 Deferred Bonuses**"), while recognizing that all such bonuses under the 2019 Bonus Plan were unconditionally and irrevocably earned by and payment became due and payable to all of the 2019 Plan Employees as of March 27, 2020.

SGRP's management expects and anticipates that cash flow later this year will be such that proportional payout of the 2019 Bonuses can reasonably be accomplished, and SGRP's management thus anticipates and intends, and SGRP has promised and agreed in each Delayed Payment Agreement, that all remaining payment(s) under the 2019 Bonus Plan will be made to each of the 2019 Plan Employee as soon as administratively practicable, and will begin in any event no later than December 31, 2020, or any earlier occurrence of certain specified events. Each of the 2019 Plan Employee has agreed to forego interest through December 31, 2020, on the deferred amount of the 2019 Bonuses based on SGRP's promise and agreement to make the remaining payment(s) set forth herein.

On or about April 23, 2020, SGRP and SPAR Marketing Force, Inc. (and certain affiliates thereof), entered into Delayed Payment Agreements dated and effective as of March 27, 2020, with each of the SGRP 2019 Plan Employees, either (i) in the form of the Delayed Payment Agreement in the form annexed hereto as Exhibit 10.2 hereto (the "**Original Agreement**"), as amended by the related Amendment to Delayed Payment dated and effective as of March 27, 2020, in the form annexed hereto as Exhibit 10.3 hereto (the "**Amendment**"), or (ii) the Delayed Payment Agreement in the form annexed hereto as Exhibit 10.4 hereto (the "**Revised Agreement**"). The Original Agreements as amended by the Amendments and the Revised Agreements may be each referred to as a "**Delayed Payment Agreement**".

On April 22, 2020, the Audit Committee of the Board approved the form of Original Agreement. In subsequent conversations the Chairman of the Audit Committee requested that the early payment trigger in §2(c) for any "refinancing of the Company's Domestic Credit Facility" be removed, and SGRP's management agreed to try to do so. Accordingly, SGRP prepared the Amendment for each signed Original Agreement and obtained a signed Amendment for each, and used and executed the Revised Agreement with each other SGRP 2019 Plan Employee. The early payment trigger in §2(c) for any "refinancing of the Company's Domestic Credit Facility" had been in clause (i) of the Original Agreement but was removed by the Amendment and also was simply removed (and the other triggers renumbered) in the form Revised Agreement. Accordingly, §2(c) in the Original Agreements as amended by the Amendment and §2(c) in the Revised Agreement are the same Delayed Payment Agreement provision in substance, and each of the 2019 Plan Employees is a party to a Delayed Payment Agreement with SGRP in one such form or the other such form.

The Delayed Payment Agreement provides, among other things, that certain bonus payments were fully, unconditionally and irrevocably earned and due and payable to the Officers on March 27, 2020, pursuant to the SGRP's 2019 Bonus Plan (the "**2019 Bonuses**") and will be temporarily delayed due to the uncertainties of the Company's future cash flows as a result of the Coronavirus and COVID-19 pandemic. Under the Delayed Payment Agreement, the Company intends to pay the Bonuses as soon as administratively possible and by September 1, 2020, provided there are sufficient availability of funds to make such payments at that time, and in any event, the Company intends and has unconditionally agreed to pay the 2019 Bonuses by no later than December 31, 2020, in the Delayed Payment Agreements.

The SGRP Executive Officer 2019 Bonuses earned are listed in Exhibit 10.1 hereto.

The foregoing description of the Agreement is qualified in its entirety by reference to the final forms of Original Agreement, Amendment and Revised Agreement attached to this Current Report on Form 8-K as Exhibits 10.2, 10.3 and 10.4, respectively, which are each incorporated herein by reference.

Forward Looking Statements

This Current Report on Form 8-K and the attached Exhibits (this "Current Report"), contain "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SGRP and its subsidiaries (together with SGRP, the "SPAR Group" or the "Company"), and this Current Report has been filed by SGRP with the SEC. "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and Exchange Act, the "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend," "believe," "estimate," "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and plans, intentions, expectations, guidance or other information respecting the potential negative effects of the Coronavirus and COVID-19 pandemic on Company's business, cash flow or financial condition, the Company's cash flow later this year, the ability of the Company to pay 2019 Deferred Bonuses or otherwise comply with the Delayed Payment Agreements, or the pursuit or achievement of the Company's five corporate objectives (growth, customer value, employee development, greater productivity & efficiency, and increased earnings per share), building upon the Company's strong foundation, leveraging compatible global opportunities, growing the Company's client base and contracts, continuing to strengthen its balance sheet, growing revenues and improving profitability through organic growth, new business development and strategic acquisitions, and continuing to control costs.

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in SGRP's common stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

- 10.1 [List of SGRP Executive Officer 2019 Bonuses Earned \(as attached hereto and filed herewith\).](#)
 - 10.2 [Form of Delayed Payment Agreement \(as attached hereto and filed herewith\).](#)
 - 10.3 [Form of Amendment to Delayed Payment Agreement \(as attached hereto and filed herewith\).](#)
 - 10.4 [Form of Delayed Payment Agreement \(as attached hereto and filed herewith\).](#)
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPAR Group, Inc.

Date: May 21, 2020

By: /s/ James R. Segreto

James R. Segreto, Chief Financial Officer

EXECUTIVE OFFICER 2019 BONUSES EARNED

Name	Total Bonus Earned
Chris Olivier	\$ 414,814.04
Kori Belzer	\$ 208,632.17
James Segreto	\$ 181,838.97
Steve Adolph	\$ 20,600.00
Gerry Marrone	\$ 250,401.25
Husam Mufti	\$ 141,234.15

DELAYED PAYMENT AGREEMENT

This Delayed Payment Agreement ("**Agreement**") is entered into by and between _____ ("**Employee**") and SPAR Group, Inc. ("**SGRP**") and SPAR Marketing Force, Inc. ("**SMF**", and together with SGRP, "**SPAR**" or "**Employer**") and each of its past and current parents, subsidiaries, affiliates, related entities, owners, successors, officers, directors, board members, employees, agents, representatives, attorneys, insurance carriers, plan sponsors, trustees, committees, administrators, fiduciaries and assigns in their official and individual capacities, on the date last executed below (together with SPAR, the "**SPAR Parties**"), effective as of as of March 27, 2020. (Employee and SPAR are sometimes hereinafter collectively referred to as "**Parties**" or singularly as a "**Party**"). SGRP and its consolidated subsidiaries hereinafter collectively referred to as the "**Company**").

RECITALS AND AGREEMENT

WHEREAS, in 2019, SPAR provided a strictly confidential bonus plan ("**2019 Bonus Plan**" or the "**Plan**") for select approximately 29 individuals employed by SPAR ("**2019 Plan Employees**"), including Employee;

WHEREAS, the Compensation Committee (the "**Compensation Committee**") of SGRP's Board (the "**Board**") already approved the 2019 Bonus Plan for payment and the participants therein and formulas thereunder respecting the bonus plan amount(s) to be earned by the 2019 Plan Employees pursuant to the 2019 Bonus Plan, which bonus plan amount(s) would not be reduced or affected by any related party expenses or payments, and which participation and formulas SPAR confirmed in an individual letter to each 2019 Plan Employee (including Employee) and promised to and agreed with each 2019 Plan Employee to pay bonuses upon satisfaction of the bonus performance criteria stated therein (each a "**2019 Bonus Letter**");

WHEREAS, under the terms of the 2019 Bonus Plan, any annual bonus earned thereunder was to be paid out after the Company's 2019 financial results (the "**2019 Financial Results**") had been determined, audited and publicly communicated;

WHEREAS, in the March 2020 Board and Committee Meetings, the likely 2019 Financial Results and potential payouts under the 2019 Bonus Plan were discussed, the prior approvals of 2019 Bonus Plan and the binding nature of the 2019 Bonus Letters were confirmed by the Compensation Committee members, counsel and minutes and correspondence, and they also confirmed that no further approval of the Compensation Committee or Board was required or possible and that no deferrals or changes could be made without the written agreement of the affected 2019 Plan Employee;

WHEREAS, the 2019 Financial Results (i) were finalized and publicly communicated on March 27, 2020, (ii) included the EBITDA components applicable to such bonus performance criteria, (iii) were audited and reported upon by BDO, and (iv) were included in SGRP's consolidated financial statements in its Annual Report on Form 10-K for 2019 as filed with the SEC on April 14, 2020 (the "**Annual Report**"), which Annual Report was approved by SGRP's Audit Committee and signed by a majority of the directors on the Board;

WHEREAS, all 2019 Plan Employees (including Employee) fully, unconditionally and irrevocably earned their bonuses under the 2019 Bonus Plan and 2019 Bonus Letter and became unconditionally and irrevocably entitled to payment of such bonuses as of March 27, 2020 (, collectively, the "**2019 Bonuses**"), and Employee has fully, unconditionally and irrevocably earned Employee's share of the 2019 Bonuses in the amount stated in Section 1(a), below;

WHEREAS, on or about March 27, 2020, management also began to realize that, while current cash availability was more than sufficient to pay the full 2019 Bonuses, there was uncertainty in SPAR's future cash flow realities in light of the global pandemic known as the new Coronavirus and COVID-19 (which event and effect was unforeseeable when the 2019 Bonus Plan was adopted and communicated), that were beginning to make current payment of any amounts of the 2019 Bonuses administratively impracticable and inadvisable;

WHEREAS SPAR's management has thus determined to temporarily suspend payments of the 2019 Bonuses under the 2019 Bonus Plan for all SPAR 2019 Plan Employees (collectively, the "**2019 Deferred Bonuses**"), including for Employee (which deferral Employee accepts and agrees), while recognizing that all such bonuses under the 2019 Bonus Plan were unconditionally and irrevocably earned by and payment became due and payable to all SPAR 2019 Plan Employees as of March 27, 2020;

WHEREAS, the Parties expect and anticipate that cash flow later this year will be such that proportional payout of the 2019 Bonuses can reasonably be accomplished, and the Parties thus anticipate and intend, and SPAR promises and agrees, that all remaining payment(s) under the 2019 Bonus Plan will be made to Employee as soon as administratively practicable, and will begin in no event later than December 31, 2020, or any earlier occurrence of certain specified events;

WHEREAS, Employee has agreed to forego interest through December 31, 2020, on the deferred amount of the 2019 Bonuses based on SPAR's promise and agreement to make the remaining payment(s) set forth herein; and

WHEREAS, in reliance on these understandings and assurances, the Parties have agreed to this temporary delay of the Employee's bonus that remains unpaid, due and owing.

NOW, THEREFORE, in consideration for temporarily delaying payment and assuring final payment of the full amount on of the bonus owed to the Employee under the 2019 Bonus Plan as described herein, and for the promises and the mutual covenants and undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties, intending to be legally bound, hereby agree that all of the "WHEREAS" recitals above are incorporated in this Agreement and further agree to the following terms and conditions, effective as of as of March 27, 2020:

1. SPAR acknowledges and agrees with Employee that:

- (a) due to the 2019 Financial Results, Employee has fully, unconditionally and irrevocably earned a bonus that is due and owing to Employee under the 2019 Bonus Plan as of March 27, 2020, equal to \$_____ ("**Employee's 2019 Bonus**");
- (b) SPAR requested and Employee agreed to temporarily delay payment of the Employee's 2019 Bonus (the "**Employee's 2019 Deferred Bonus**"), which deferral initially is equal to the full amount of the Employee's 2019 Bonus since it was all due and temporarily deferred as of March 27, 2020;
- (c) the outstanding unpaid Employee's 2019 Deferred Bonus shall be (i) decreased by the amount of each payment of the Employee's 2019 Deferred Bonus (if any), and (ii) increased by the amount of each interest accrual (if any) as provided below (other than as such interest has been paid),
- (d) the Employee's 2019 Deferred Bonus is unconditionally and irrevocably due and owing to Employee;
- (e) SPAR shall pay the Employee's 2019 Deferred Bonus to the Employee in full as provided in this Agreement;
- (f) all payments of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest) shall be made indefeasibly, unconditionally and irrevocably; and
- (g) no payment of any portion of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest) shall be subject to any setoff, recoupment, counterclaim, claw back, reclamation, recalculation or other return, recovery or reduction by or on behalf of SPAR or anyone else, in each case: (i) whether as a result of any earnings, expense or other financial restatement or other adjustment for 2019 or any other year or otherwise, all of which are hereby knowingly, unconditionally and irrevocably forever waived and released by SPAR; and (ii) if the Employee is somehow forced to return to or on behalf of SPAR any of the Employee's 2019 Bonus (including any of the Employee's 2019 Deferred Bonus or any interest) or any such amount is somehow otherwise recovered or reclaimed from Employee by or behalf of SPAR or any other SPAR Party, each such amount shall be added to and become part of the Employee's 2019 Deferred Bonus and shall bear interest, be payable and be governed as provided in this Agreement.

SPAR and Employee agree these amounts are accurate and together correctly reflect the full 2019 Bonus Plan obligation of SPAR to Employee.

2. SPAR acknowledges and agrees with Employee that:

(a) SPAR shall pay Employee the remaining balance of the Employee's 2019 Deferred Bonus as soon as administratively practicable under the Company's financial circumstance, as determined by the chief executive officer and senior financial officer of SPAR based on business and cash flow estimates.

(b) SPAR agrees that, commencing September 1, 2020, SPAR will immediately pay the unpaid 2019 Bonuses in an amount equal to the Applicable Availability when it exceeds zero. "**Applicable Availability**" means any availability under the Domestic Credit Facility minus \$500,000. "**Domestic Credit Facility**" shall mean the Company's domestic credit facility with North Mill Capital LLC ("**NMC**") or any successor lender. For example if availability under the Domestic Credit Facility is \$750,000 at any time after September 1, 2020, SPAR will immediately pay the unpaid 2019 Bonuses to all 2019 Plan Employees in an amount equal to \$250,000.

(c) SPAR agrees, however, that SPAR shall pay the full amount of the Employee's 2019 Deferred Bonus by no later than the first to occur of (A) December 31, 2020, or (B) directly or indirectly making, commencing, entering into, committing to or effecting any of the following (each "**Specified Event**");

- (i) any refinancing of the Company's Domestic Credit Facility, whether with NMC (if it increases the maximum credit facility) or any other lender;
- (ii) the obligations owed under that Domestic Credit Facility shall be accelerated or otherwise become due and payable in full;
- (iii) any purchase or acquisition of all or substantially all of the business, brands, technology, assets of any other entity;
- (iv) any sale or transfer (in whole or in part) of SPAR, or its business, or of all or substantially all of its assets;
- (v) any merger, consolidation, combination, bankruptcy, dissolution of SPAR, in whole or in part; or
- (vi) any new joint venture, partnership or other business formation or similar relationship; or
- (vii) any Junior Payment (as defined below).

(d) SPAR will make all payments towards the outstanding unpaid balance from Employee's 2019 Deferred Bonus to Employee in proportion to all other payments of the 2019 Deferred Bonuses to the other 2019 Plan Employees, with Employee receiving his or her proportionate share (*i.e.*, the proportion of the Employee's 2019 Bonus to the total 2019 Bonuses).

(e) If Employee's salary was paid by direct deposit, the Employee's 2019 Deferred Bonus and interest payments shall likewise be paid by direct deposit to the same account or as Employee may otherwise directed in writing.

(f) Employee waives and releases any claim for earlier payment of this balance other than any claim for interest as provided herein.

3. SPAR acknowledges and agrees with Employee that:

(a) If the Employee's 2019 Deferred Bonus is not paid in full by the earliest of the occurrence of any Specified Event or December 31, 2020, any unpaid portion of the Employee's 2019 Deferred Bonus shall bear and pay interest at the annual rate (the "**Deferral Rate**") equal to the Domestic Rate per annum from such occurrence or date (as applicable) and thereafter until the Employee's 2019 Deferred Bonus has been paid in full. "**Domestic Rate**" shall mean the average interest rate then applicable under SPAR's principal domestic credit facility with NMC or any other lender. The Deferral Rate shall automatically change with each change in the Domestic Rate.

(b) At the end of each month, interest shall be computed on the average unpaid balance of the Employee's 2019 Deferred Bonus (including previous interest accruals) during the month then ending, and shall be paid to Employee by the 10th of the month following such month then ending. Unpaid interest (if any) shall be added to and become part of the Employee's 2019 Deferred Bonus that SPAR is obligated to pay to the Employee (*i.e.*, compounded monthly).

4. SPAR will use its best efforts (to the greatest extent permitted by law, agreement and financial circumstance) to satisfy in full all 2019 Deferred Bonuses prior to directly or indirectly making, commencing, entering into, committing to or effecting any of the following (each a "**Junior Payment**"):

- (a) any payment or reimbursement to or on behalf of any director, officer, employee or other related party that is not already scheduled as of March 27, 2020, except for (i) current payments of wages, salaries and fees for services performed thereafter by an individual as a new employee or director, (ii) reimbursements to an individual of current individual business expenses documented and approved in accordance with SPAR's T&E policy, or (iii) the payments of 2019 Deferred Bonuses proportionally to all applicable employees under the 2019 Bonus Plan;
- (b) any loan or guaranty to any director, officer, employee or other related party or other person;
- (c) any dividend, distribution or other payment in cash, notes, preferred stock or other asset to any stockholder;
- (d) any purchase or other acquisition of any stock issued by or other equity in SGRP or any related party;
- (e) any purchase or other acquisition of any asset from or any payment or assumption of any liability of any related party;
- (f) any purchase or other acquisition the business, brands, technology, or assets of any other entity that would involve new payments or obligations by SPAR to or on behalf of any other entity other than normal trade payments and payables in the ordinary course of SPAR's business;
- (g) any new joint venture, partnership or other business formation or similar relationship that would involve new payments or obligations by SPAR to or on behalf of any other entity; or
- (h) any payment of any 2020 or later bonus payment.

5. Until the balance of the Employee's 2019 Deferred Bonus is fully paid to Employee, payment of any unpaid balance of the Employee's 2019 Deferred Bonus shall continue to be due and payable and survive any separation from employment between SPAR and Employee, regardless of the reason for, circumstances surrounding, or timing of any such separation, including (without limitation) by reason of death, disability, retirement, resignation (for cause or otherwise) or termination (for cause or otherwise). Any unpaid balance of the Employee's 2019 Deferred Bonus and Employee's rights under this Agreement shall inure to the benefit of and be enforceable by the Employee's heirs, successors, assigns and legal representatives, each of whom shall be an express third party beneficiary of this Agreement.

6. Payments of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest), and SPAR's obligations respecting them in this Agreement, shall not be reduced, impaired, delayed or hindered, or otherwise affected in any manner by any future wage, salary, bonus (e.g., for 2020 or later performance), fee, severance, advancement, indemnification or other payments or reimbursements that are or may be owed, or may become owed, to Employee by SPAR, any SPAR Party or any related entity, under any contract, policy, plan or practice or otherwise; nor shall such other payments, if any, be reduced, impaired, delayed or hindered, or otherwise affected in any manner by this remaining bonus plan payment obligation or the bonus amount already paid.

7. SPAR Parties agree that nothing contained in this Agreement and no action taken by Employee hereby shall be construed as an admission of any liability or wrongdoing by Employee.

8. Employee agrees that nothing contained in this Agreement and no action taken by SPAR hereby shall be construed as an admission of any liability or wrongdoing by SPAR Parties.

9. This Agreement represents the entire agreement between SPAR Parties and Employee respecting the 2019 Bonus Plan and the payments due thereunder. Each Party further acknowledges no promises or representations have been made or relied upon regarding the 2019 Bonus Plan and the payments due thereunder apart from those expressly set forth in this Agreement. For Clarity, this Agreement is not intended to, and shall not, modify or affect any future wage, salary, bonus (*e.g.*, for 2020 or later performance), fee, severance, advancement, indemnification or other payment or reimbursement right or interest that is or may be owed or granted, or may become owed or granted, by SPAR, any SPAR Party or any related entity to Employee under any contract, benefit, policy, plan or practice or otherwise, including (without limitation) any employment agreement or terms, severance agreement or change in control severance agreement. This Agreement (i) may not be supplemented, modified, amended, restated, waived, extended, discharged, released or terminated orally, (ii) may only be supplemented, modified, amended or restated in a writing signed by all of the Parties hereto specifically referencing this Agreement by date, title, parties and provision(s) being amended, and (iii) may only be waived, extended, discharged, released or terminated in a writing signed by each Party against whom enforcement thereof may be sought.

10. Parties agrees that, in the event that any provision or statement in this Agreement is held invalid by a court or arbitrator of competent jurisdiction, the remaining provisions of this Agreement shall remain intact. Upon a finding by a court, administrative agency or other tribunal of competent jurisdiction that any release, waiver or covenant contained in this Agreement is void, illegal or unenforceable, Parties agrees promptly to execute a release, waiver or covenant that is legal and enforceable.

11. Whenever in this Agreement reference is made to any person, such reference shall be deemed to include the successors, assigns, and legal representatives of such person. Except as otherwise expressly provided herein, the representations, agreements and other provisions of this Agreement are for the exclusive benefit of the Parties hereto, and, no other person shall have any right or claim against any Party by reason of any of those provisions or be entitled to enforce any of those provisions against any Party.

12. New York law and applicable federal law shall govern the enforceability and construction of this Agreement, in each case other than those conflict of law rules that would defer to the applicable law of another jurisdiction.

13. The Employee and SPAR mutually consent and agree to the resolution by binding arbitration of any and all claims (whether under common law, statute, regulation or otherwise), that the Employee may have against SPAR, and all successors and assigns of any of them, or that SPAR might have against the Employee, respecting or arising under the 2019 Bonus Plan, the Employee's 2019 Bonus, the Employee's 2019 Deferred Bonus, or this Agreement (each an "**Covered Claim**"), as follows:

(a) Except only for the Arbitration Exclusions, binding arbitration shall replace going before any government agency or a court for a judge or jury trial for any Covered Claim, and neither the Employee, nor SPAR is permitted to bring any claim or action before any such entity for any Covered Claim. The Employee and SPAR each waive the right to have a court or jury trial for any Covered Claim.

(b) "**Arbitration Exclusion**" shall mean any injunctive or similar equitable relief, any enforcement of any arbitration or court award or judgment in any jurisdiction or any appeal of any lower court or arbitration decision sought by a Party.

(c) The Federal Arbitration Act ("**FAA**") shall govern this section, or if for any reason the FAA does not apply, the arbitration law of the state in which the Employee last rendered labor or services to SPAR Arbitration will be conducted pursuant to the applicable rules of the Judicial Arbitration and Mediation Services, Inc. ("**JAMS**"); provided, however, that if JAMS does not have an office within 200 miles of the place where the Employee last rendered labor or services to SPAR or applicable Client, then the arbitration will be conducted pursuant to the rules of the American Arbitration Association ("**AAA**"). The arbitration will take place at the JAMS (or AAA) office closest to the place where the Employee last rendered labor or services to SPAR or applicable Client. The JAMS rules are available at www.jamsadr.com, and the AAA rules are available at www.adr.org.

(d) Any Party may object to any proposed arbitrator that (in its reasonable judgment) is not a disinterested unrelated third party or does not have at least a basic knowledge of accounting practices and generally accepted accounting principles.

(e) Each party to the arbitration shall have the right to take depositions of 4 fact witnesses and any expert witness designated by another party. Each party to the arbitration also shall have the right to make requests for production of documents to any party and to subpoena documents from third parties to the extent allowed by law. Requests for additional depositions or discovery may be made to the arbitrator. The arbitrator may grant such additional discovery if the arbitrator finds that the party has demonstrated that it needs that discovery to adequately arbitrate the claim, taking into account the parties' mutual desire to have a speedy, less-formal, cost-effective dispute-resolution mechanism. However, discovery will be strictly limited to documents of the Parties specifically applicable to the claims, excluding, however, those documents protected by attorney/client, accountant or other professional or work product privilege (which have not been waived).

(f) The arbitrator(s) shall determine each claim or severable part thereof in accordance with the provisions of this Agreement, shall use supportable quantifiable calculations in determining amounts, shall not add to, detract from, or modify any provision of this Agreement, and shall not "split the difference" or use other similar allocation methods.

(g) Notwithstanding any provision of the JAMS (or AAA) rules, arbitration shall occur on an individual basis only; provided, however, that two or more employees receiving delayed bonuses under the 2019 Bonus Plan may elect in their discretion to proceed in a combined arbitration with SPAR.. The Employee and SPAR (on behalf of itself and each Client) each waive the right to initiate, participate in, or recover through, any class or collective action available to it. Nothing in this Agreement prevents the Employee, SPAR or any Client from filing or recovering pursuant to a complaint, charge, or other communication with any federal, state or local governmental or law enforcement agency.

(h) The Parties each hereby consents and agrees that any state or federal court sitting in White Plains, New York, each shall have non-exclusive personal jurisdiction and proper venue with respect to any unresolved dispute or controversy between the Parties under or related to this Agreement respecting any Arbitration Exclusion or other matter under this Agreement that is not subject to arbitration hereunder; provided, however, that such consent shall not deprive any Party of the right to appeal the decision of any such court to a proper appellate court located elsewhere or to voluntarily commence or join any action, suit or proceeding in any other jurisdiction having proper jurisdiction and venue.

(i) The preceding consents to the jurisdiction and venue of such arbitrations and courts have been made by the Parties in reliance (at least in part) on Section 5-1402 of the General Obligations Law of the State of New York, as amended (as and to the extent applicable), other applicable law, and the rules of the AAA. No Party will raise, and each Party hereby absolutely, unconditionally, irrevocably and expressly waives forever, any objection or defense to any such jurisdiction as an inconvenient forum, or to any deference to or delay for any arbitration respecting any counterclaim or other matter relating to any Arbitration Exclusion.

(j) Except as otherwise provided in this Agreement in any arbitration or court proceeding, SPAR shall pay the costs and expenses of the Arbitrator or court proceeding (as applicable); and each Party shall pay its own expenses in such matter, including the fees and disbursements of its own attorneys; provided, however, that if Employee is the predominately winning Party, SPAR shall immediately reimburse Employee for Employee's expenses in such matter, including the fees and disbursements of Employee's own attorneys.

In Witness Whereof, the Parties hereto have executed and delivered this Agreement intending to be legally bound by it and for it to be effective as of the earliest of date first written above and the dates written below:

**SPAR Group, Inc., and
SPAR Marketing Force, Inc.**

Employee

By: _____

[Signature]

[Print Name and Title]

[Print Name]

Dated Signed: April __, 2020

Dated Signed: April __, 2020



AMENDMENT TO
 DELAYED PAYMENT AGREEMENT

Dated as of March 27, 2020

This Amendment to the Delayed Payment Agreement (this "Amendment"), dated and effective as of March 27, 2020 (the "Amendment Date"), is by and between _____, the individual named and signing below ("Employee"), and SPAR Group, Inc. ("SGRP") and SPAR Marketing Force, Inc. ("SMF", and together with SGRP, "SPAR" or "Employer"). Employee and SPAR are sometimes hereinafter collectively referred to as "Parties" or singularly as a "Party". SGRP and its consolidated subsidiaries are hereinafter collectively referred to as the "Company".

Employee and SPAR are parties to the Existing Agreement (as defined below) and desire to supplement and amend it, all upon the terms and provisions and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment and the Existing Agreement, and other good and valuable consideration (the receipt and adequacy of which is hereby acknowledged by the Parties), the Parties hereto hereby agree as follows:

1. **Certain Definitions.** Except as otherwise provided herein, all capitalized terms used and not otherwise defined or amended in this Amendment shall have the meanings respectively given to them in the Existing Agreement.

2. **Amendment.** Upon execution and delivery of this Amendment, the Existing Agreement is hereby supplemented and amended as follows, effective as of the Amendment Date:

(a) The defined terms: "Existing Agreement" shall mean the Delayed Payment Agreement between Employee and SPAR dated and effective as of March 27, 2020; and "Agreement" shall mean the Existing Agreement as amended by the Amendment between Employee and SPAR dated and effective as of March 27, 2020, and as such Agreement otherwise may have been and may be supplemented, modified, amended or restated from time to time in the manner provided therein.

(b) In Section 2(c), clause (i) (which references certain domestic refinancings) is hereby deleted in its entirety, and the following new amended and restated clause is hereby inserted in its place (without the deletion or modification of any other material):

"(i) [Intentionally Deleted];"

3. **Continuing Agreement, Binding upon Successors.** The Existing Agreement, as supplemented and amended by this Amendment, shall remain and continue in full force and effect after the Amendment Date. This Amendment's provisions shall be binding upon the applicable Party and its heirs, successors, assigns and legal representatives and shall inure to the benefit of the heirs, successors, assigns and legal representatives of each other Party.

4. **Counterparts, Amendments and Authority.** This Amendment may be executed in multiple counterparts and delivered electronically (including by fax or email) or physically, each of which shall be deemed an original and all of which together shall constitute a single agreement binding upon all of the Parties. Any supplement, modification, amendment, restatement, waiver, extension, discharge, release or termination of this Amendment must be in writing and signed by all of the Parties hereto and cannot be given orally. Each individual signing below represents and warrants to the other Party that such individual has the authority to bind the Party on whose behalf he or she has executed this Amendment.

5. **Governance and Entire Agreement.** This Amendment shall be governed by and construed in accordance with the applicable provisions of the Agreement, which provisions are hereby incorporated herein by reference into this Amendment, and shall be interpreted as if this Amendment were the "Agreement" referred to in those incorporated provisions. This Amendment and the Agreement together contain the entire agreement and understanding of the Parties and supersede and completely replace all prior and other representations, warranties, promises, assurances and other agreements, understandings and information (including, without limitation, all letters of intent, term sheets, existing agreements, offers, requests, responses and proposals), whether written, electronic, oral, express, implied or otherwise, from a Party or between them with respect to the matters contained in this Amendment and the Agreement.

In Witness Whereof, the Parties hereto have executed and delivered this Amendment through their duly authorized signatories on the dates stated below and intend to be legally bound by this Amendment effective as of the Amendment Date.

SPAR Group, Inc., and SPAR Marketing Force, Inc.

Employee

By: _____
 [Signature]

 [Signature]

 [Print Name and Title]

 [Print Name]

Dated Signed: April __, 2020

Dated Signed: April __, 2020

DELAYED PAYMENT AGREEMENT

This Delayed Payment Agreement ("**Agreement**") is entered into by and between _____ ("**Employee**") and SPAR Group, Inc. ("**SGRP**") and SPAR Marketing Force, Inc. ("**SMF**", and together with SGRP, "**SPAR**" or "**Employer**") and each of its past and current parents, subsidiaries, affiliates, related entities, owners, successors, officers, directors, board members, employees, agents, representatives, attorneys, insurance carriers, plan sponsors, trustees, committees, administrators, fiduciaries and assigns in their official and individual capacities, on the date last executed below (together with SPAR, the "**SPAR Parties**"), effective as of as of March 27, 2020. (Employee and SPAR are sometimes hereinafter collectively referred to as "**Parties**" or singularly as a "**Party**"). SGRP and its consolidated subsidiaries hereinafter collectively referred to as the "**Company**").

RECITALS AND AGREEMENT

WHEREAS, in 2019, SPAR provided a strictly confidential bonus plan ("**2019 Bonus Plan**" or the "**Plan**") for select approximately 29 individuals employed by SPAR ("**2019 Plan Employees**"), including Employee;

WHEREAS, the Compensation Committee (the "**Compensation Committee**") of SGRP's Board (the "**Board**") already approved the 2019 Bonus Plan for payment and the participants therein and formulas thereunder respecting the bonus plan amount(s) to be earned by the 2019 Plan Employees pursuant to the 2019 Bonus Plan, which bonus plan amount(s) would not be reduced or affected by any related party expenses or payments, and which participation and formulas SPAR confirmed in an individual letter to each 2019 Plan Employee (including Employee) and promised to and agreed with each 2019 Plan Employee to pay bonuses upon satisfaction of the bonus performance criteria stated therein (each a "**2019 Bonus Letter**");

WHEREAS, under the terms of the 2019 Bonus Plan, any annual bonus earned thereunder was to be paid out after the Company's 2019 financial results (the "**2019 Financial Results**") had been determined, audited and publicly communicated;

WHEREAS, in the March 2020 Board and Committee Meetings, the likely 2019 Financial Results and potential payouts under the 2019 Bonus Plan were discussed, the prior approvals of 2019 Bonus Plan and the binding nature of the 2019 Bonus Letters were confirmed by the Compensation Committee members, counsel and minutes and correspondence, and they also confirmed that no further approval of the Compensation Committee or Board was required or possible and that no deferrals or changes could be made without the written agreement of the affected 2019 Plan Employee;

WHEREAS, the 2019 Financial Results (i) were finalized and publicly communicated on March 27, 2020, (ii) included the EBITDA components applicable to such bonus performance criteria, (iii) were audited and reported upon by BDO, and (iv) were included in SGRP's consolidated financial statements in its Annual Report on Form 10-K for 2019 as filed with the SEC on April 14, 2020 (the "**Annual Report**"), which Annual Report was approved by SGRP's Audit Committee and signed by a majority of the directors on the Board;

WHEREAS, all 2019 Plan Employees (including Employee) fully, unconditionally and irrevocably earned their bonuses under the 2019 Bonus Plan and 2019 Bonus Letter and became unconditionally and irrevocably entitled to payment of such bonuses as of March 27, 2020 (, collectively, the "**2019 Bonuses**"), and Employee has fully, unconditionally and irrevocably earned Employee's share of the 2019 Bonuses in the amount stated in Section 1(a), below;

WHEREAS, on or about March 27, 2020, management also began to realize that, while current cash availability was more than sufficient to pay the full 2019 Bonuses, there was uncertainty in SPAR's future cash flow realities in light of the global pandemic known as the new Coronavirus and COVID-19 (which event and effect was unforeseeable when the 2019 Bonus Plan was adopted and communicated), that were beginning to make current payment of any amounts of the 2019 Bonuses administratively impracticable and inadvisable;

WHEREAS SPAR's management has thus determined to temporarily suspend payments of the 2019 Bonuses under the 2019 Bonus Plan for all SPAR 2019 Plan Employees (collectively, the "**2019 Deferred Bonuses**"), including for Employee (which deferral Employee accepts and agrees), while recognizing that all such bonuses under the 2019 Bonus Plan were unconditionally and irrevocably earned by and payment became due and payable to all SPAR 2019 Plan Employees as of March 27, 2020;

WHEREAS, the Parties expect and anticipate that cash flow later this year will be such that proportional payout of the 2019 Bonuses can reasonably be accomplished, and the Parties thus anticipate and intend, and SPAR promises and agrees, that all remaining payment(s) under the 2019 Bonus Plan will be made to Employee as soon as administratively practicable, and will begin in no event later than December 31, 2020, or any earlier occurrence of certain specified events;

WHEREAS, Employee has agreed to forego interest through December 31, 2020, on the deferred amount of the 2019 Bonuses based on SPAR's promise and agreement to make the remaining payment(s) set forth herein; and

WHEREAS, in reliance on these understandings and assurances, the Parties have agreed to this temporary delay of the Employee's bonus that remains unpaid, due and owing.

NOW, THEREFORE, in consideration for temporarily delaying payment and assuring final payment of the full amount on of the bonus owed to the Employee under the 2019 Bonus Plan as described herein, and for the promises and the mutual covenants and undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties, intending to be legally bound, hereby agree that all of the "WHEREAS" recitals above are incorporated in this Agreement and further agree to the following terms and conditions, effective as of as of March 27, 2020:

1. SPAR acknowledges and agrees with Employee that:

- (a) due to the 2019 Financial Results, Employee has fully, unconditionally and irrevocably earned a bonus that is due and owing to Employee under the 2019 Bonus Plan as of March 27, 2020, equal to \$_____ ("**Employee's 2019 Bonus**");
- (b) SPAR requested and Employee agreed to temporarily delay payment of the Employee's 2019 Bonus (the "**Employee's 2019 Deferred Bonus**"), which deferral initially is equal to the full amount of the Employee's 2019 Bonus since it was all due and temporarily deferred as of March 27, 2020;
- (c) the outstanding unpaid Employee's 2019 Deferred Bonus shall be (i) decreased by the amount of each payment of the Employee's 2019 Deferred Bonus (if any), and (ii) increased by the amount of each interest accrual (if any) as provided below (other than as such interest has been paid),
- (d) the Employee's 2019 Deferred Bonus is unconditionally and irrevocably due and owing to Employee;
- (e) SPAR shall pay the Employee's 2019 Deferred Bonus to the Employee in full as provided in this Agreement;
- (f) all payments of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest) shall be made indefeasibly, unconditionally and irrevocably; and
- (g) no payment of any portion of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest) shall be subject to any setoff, recoupment, counterclaim, claw back, reclamation, recalculation or other return, recovery or reduction by or on behalf of SPAR or anyone else, in each case: (i) whether as a result of any earnings, expense or other financial restatement or other adjustment for 2019 or any other year or otherwise, all of which are hereby knowingly, unconditionally and irrevocably forever waived and released by SPAR; and (ii) if the Employee is somehow forced to return to or on behalf of SPAR any of the Employee's 2019 Bonus (including any of the Employee's 2019 Deferred Bonus or any interest) or any such amount is somehow otherwise recovered or reclaimed from Employee by or behalf of SPAR or any other SPAR Party, each such amount shall be added to and become part of the Employee's 2019 Deferred Bonus and shall bear interest, be payable and be governed as provided in this Agreement.

SPAR and Employee agree these amounts are accurate and together correctly reflect the full 2019 Bonus Plan obligation of SPAR to Employee.

2. SPAR acknowledges and agrees with Employee that:

(a) SPAR shall pay Employee the remaining balance of the Employee's 2019 Deferred Bonus as soon as administratively practicable under the Company's financial circumstance, as determined by the chief executive officer and senior financial officer of SPAR based on business and cash flow estimates.

(b) SPAR agrees that, commencing September 1, 2020, SPAR will immediately pay the unpaid 2019 Bonuses in an amount equal to the Applicable Availability when it exceeds zero. "**Applicable Availability**" means any availability under the Domestic Credit Facility minus \$500,000. "**Domestic Credit Facility**" shall mean the Company's domestic credit facility with North Mill Capital LLC ("**NMC**") or any successor lender. For example if availability under the Domestic Credit Facility is \$750,000 at any time after September 1, 2020, SPAR will immediately pay the unpaid 2019 Bonuses to all 2019 Plan Employees in an amount equal to \$250,000.

(c) SPAR agrees, however, that SPAR shall pay the full amount of the Employee's 2019 Deferred Bonus by no later than the first to occur of (A) December 31, 2020, or (B) directly or indirectly making, commencing, entering into, committing to or effecting any of the following (each "**Specified Event**");

- (i) the obligations owed under that Domestic Credit Facility shall be accelerated or otherwise become due and payable in full;
- (ii) any purchase or acquisition of all or substantially all of the business, brands, technology, assets of any other entity;
- (iii) any sale or transfer (in whole or in part) of SPAR, or its business, or of all or substantially all of its assets;
- (iv) any merger, consolidation, combination, bankruptcy, dissolution of SPAR, in whole or in part; or
- (v) any new joint venture, partnership or other business formation or similar relationship; or
- (vi) any Junior Payment (as defined below).

(d) SPAR will make all payments towards the outstanding unpaid balance from Employee's 2019 Deferred Bonus to Employee in proportion to all other payments of the 2019 Deferred Bonuses to the other 2019 Plan Employees, with Employee receiving his or her proportionate share (*i.e.*, the proportion of the Employee's 2019 Bonus to the total 2019 Bonuses).

(e) If Employee's salary was paid by direct deposit, the Employee's 2019 Deferred Bonus and interest payments shall likewise be paid by direct deposit to the same account or as Employee may otherwise directed in writing.

(f) Employee waives and releases any claim for earlier payment of this balance other than any claim for interest as provided herein.

3. SPAR acknowledges and agrees with Employee that:

(a) If the Employee's 2019 Deferred Bonus is not paid in full by the earliest of the occurrence of any Specified Event or December 31, 2020, any unpaid portion of the Employee's 2019 Deferred Bonus shall bear and pay interest at the annual rate (the "**Deferral Rate**") equal to the Domestic Rate per annum from such occurrence or date (as applicable) and thereafter until the Employee's 2019 Deferred Bonus has been paid in full. "**Domestic Rate**" shall mean the average interest rate then applicable under SPAR's principal domestic credit facility with NMC or any other lender. The Deferral Rate shall automatically change with each change in the Domestic Rate.

(b) At the end of each month, interest shall be computed on the average unpaid balance of the Employee's 2019 Deferred Bonus (including previous interest accruals) during the month then ending, and shall be paid to Employee by the 10th of the month following such month then ending. Unpaid interest (if any) shall be added to and become part of the Employee's 2019 Deferred Bonus that SPAR is obligated to pay to the Employee (*i.e.*, compounded monthly).

4. SPAR will use its best efforts (to the greatest extent permitted by law, agreement and financial circumstance) to satisfy in full all 2019 Deferred Bonuses prior to directly or indirectly making, commencing, entering into, committing to or effecting any of the following (each a "**Junior Payment**"):

- (a) any payment or reimbursement to or on behalf of any director, officer, employee or other related party that is not already scheduled as of March 27, 2020, except for (i) current payments of wages, salaries and fees for services performed thereafter by an individual as a new employee or director, (ii) reimbursements to an individual of current individual business expenses documented and approved in accordance with SPAR's T&E policy, or (iii) the payments of 2019 Deferred Bonuses proportionally to all applicable employees under the 2019 Bonus Plan;
- (b) any loan or guaranty to any director, officer, employee or other related party or other person;
- (c) any dividend, distribution or other payment in cash, notes, preferred stock or other asset to any stockholder;
- (d) any purchase or other acquisition of any stock issued by or other equity in SGRP or any related party;
- (e) any purchase or other acquisition of any asset from or any payment or assumption of any liability of any related party;
- (f) any purchase or other acquisition the business, brands, technology, or assets of any other entity that would involve new payments or obligations by SPAR to or on behalf of any other entity other than normal trade payments and payables in the ordinary course of SPAR's business;
- (g) any new joint venture, partnership or other business formation or similar relationship that would involve new payments or obligations by SPAR to or on behalf of any other entity; or
- (h) any payment of any 2020 or later bonus payment.

5. Until the balance of the Employee's 2019 Deferred Bonus is fully paid to Employee, payment of any unpaid balance of the Employee's 2019 Deferred Bonus shall continue to be due and payable and survive any separation from employment between SPAR and Employee, regardless of the reason for, circumstances surrounding, or timing of any such separation, including (without limitation) by reason of death, disability, retirement, resignation (for cause or otherwise) or termination (for cause or otherwise). Any unpaid balance of the Employee's 2019 Deferred Bonus and Employee's rights under this Agreement shall inure to the benefit of and be enforceable by the Employee's heirs, successors, assigns and legal representatives, each of whom shall be an express third party beneficiary of this Agreement.

6. Payments of the Employee's 2019 Bonus (including the Employee's 2019 Deferred Bonus and any interest), and SPAR's obligations respecting them in this Agreement, shall not be reduced, impaired, delayed or hindered, or otherwise affected in any manner by any future wage, salary, bonus (e.g., for 2020 or later performance), fee, severance, advancement, indemnification or other payments or reimbursements that are or may be owed, or may become owed, to Employee by SPAR, any SPAR Party or any related entity, under any contract, policy, plan or practice or otherwise; nor shall such other payments, if any, be reduced, impaired, delayed or hindered, or otherwise affected in any manner by this remaining bonus plan payment obligation or the bonus amount already paid.

7. SPAR Parties agree that nothing contained in this Agreement and no action taken by Employee hereby shall be construed as an admission of any liability or wrongdoing by Employee.

8. Employee agrees that nothing contained in this Agreement and no action taken by SPAR hereby shall be construed as an admission of any liability or wrongdoing by SPAR Parties.

9. This Agreement represents the entire agreement between SPAR Parties and Employee respecting the 2019 Bonus Plan and the payments due thereunder. Each Party further acknowledges no promises or representations have been made or relied upon regarding the 2019 Bonus Plan and the payments due thereunder apart from those expressly set forth in this Agreement. For Clarity, this Agreement is not intended to, and shall not, modify or affect any future wage, salary, bonus (*e.g.*, for 2020 or later performance), fee, severance, advancement, indemnification or other payment or reimbursement right or interest that is or may be owed or granted, or may become owed or granted, by SPAR, any SPAR Party or any related entity to Employee under any contract, benefit, policy, plan or practice or otherwise, including (without limitation) any employment agreement or terms, severance agreement or change in control severance agreement. This Agreement (i) may not be supplemented, modified, amended, restated, waived, extended, discharged, released or terminated orally, (ii) may only be supplemented, modified, amended or restated in a writing signed by all of the Parties hereto specifically referencing this Agreement by date, title, parties and provision(s) being amended, and (iii) may only be waived, extended, discharged, released or terminated in a writing signed by each Party against whom enforcement thereof may be sought.

10. Parties agrees that, in the event that any provision or statement in this Agreement is held invalid by a court or arbitrator of competent jurisdiction, the remaining provisions of this Agreement shall remain intact. Upon a finding by a court, administrative agency or other tribunal of competent jurisdiction that any release, waiver or covenant contained in this Agreement is void, illegal or unenforceable, Parties agrees promptly to execute a release, waiver or covenant that is legal and enforceable.

11. Whenever in this Agreement reference is made to any person, such reference shall be deemed to include the successors, assigns, and legal representatives of such person. Except as otherwise expressly provided herein, the representations, agreements and other provisions of this Agreement are for the exclusive benefit of the Parties hereto, and, no other person shall have any right or claim against any Party by reason of any of those provisions or be entitled to enforce any of those provisions against any Party.

12. New York law and applicable federal law shall govern the enforceability and construction of this Agreement, in each case other than those conflict of law rules that would defer to the applicable law of another jurisdiction.

13. The Employee and SPAR mutually consent and agree to the resolution by binding arbitration of any and all claims (whether under common law, statute, regulation or otherwise), that the Employee may have against SPAR, and all successors and assigns of any of them, or that SPAR might have against the Employee, respecting or arising under the 2019 Bonus Plan, the Employee's 2019 Bonus, the Employee's 2019 Deferred Bonus, or this Agreement (each an "**Covered Claim**"), as follows:

(a) Except only for the Arbitration Exclusions, binding arbitration shall replace going before any government agency or a court for a judge or jury trial for any Covered Claim, and neither the Employee, nor SPAR is permitted to bring any claim or action before any such entity for any Covered Claim. The Employee and SPAR each waive the right to have a court or jury trial for any Covered Claim.

(b) "**Arbitration Exclusion**" shall mean any injunctive or similar equitable relief, any enforcement of any arbitration or court award or judgment in any jurisdiction or any appeal of any lower court or arbitration decision sought by a Party.

(c) The Federal Arbitration Act ("**FAA**") shall govern this section, or if for any reason the FAA does not apply, the arbitration law of the state in which the Employee last rendered labor or services to SPAR Arbitration will be conducted pursuant to the applicable rules of the Judicial Arbitration and Mediation Services, Inc. ("**JAMS**"); provided, however, that if JAMS does not have an office within 200 miles of the place where the Employee last rendered labor or services to SPAR or applicable Client, then the arbitration will be conducted pursuant to the rules of the American Arbitration Association ("**AAA**"). The arbitration will take place at the JAMS (or AAA) office closest to the place where the Employee last rendered labor or services to SPAR or applicable Client. The JAMS rules are available at www.jamsadr.com, and the AAA rules are available at www.adr.org.

(d) Any Party may object to any proposed arbitrator that (in its reasonable judgment) is not a disinterested unrelated third party or does not have at least a basic knowledge of accounting practices and generally accepted accounting principles.

(e) Each party to the arbitration shall have the right to take depositions of 4 fact witnesses and any expert witness designated by another party. Each party to the arbitration also shall have the right to make requests for production of documents to any party and to subpoena documents from third parties to the extent allowed by law. Requests for additional depositions or discovery may be made to the arbitrator. The arbitrator may grant such additional discovery if the arbitrator finds that the party has demonstrated that it needs that discovery to adequately arbitrate the claim, taking into account the parties' mutual desire to have a speedy, less-formal, cost-effective dispute-resolution mechanism. However, discovery will be strictly limited to documents of the Parties specifically applicable to the claims, excluding, however, those documents protected by attorney/client, accountant or other professional or work product privilege (which have not been waived).

(f) The arbitrator(s) shall determine each claim or severable part thereof in accordance with the provisions of this Agreement, shall use supportable quantifiable calculations in determining amounts, shall not add to, detract from, or modify any provision of this Agreement, and shall not "split the difference" or use other similar allocation methods.

(g) Notwithstanding any provision of the JAMS (or AAA) rules, arbitration shall occur on an individual basis only; provided, however, that two or more employees receiving delayed bonuses under the 2019 Bonus Plan may elect in their discretion to proceed in a combined arbitration with SPAR.. The Employee and SPAR (on behalf of itself and each Client) each waive the right to initiate, participate in, or recover through, any class or collective action available to it. Nothing in this Agreement prevents the Employee, SPAR or any Client from filing or recovering pursuant to a complaint, charge, or other communication with any federal, state or local governmental or law enforcement agency.

(h) The Parties each hereby consents and agrees that any state or federal court sitting in White Plains, New York, each shall have non-exclusive personal jurisdiction and proper venue with respect to any unresolved dispute or controversy between the Parties under or related to this Agreement respecting any Arbitration Exclusion or other matter under this Agreement that is not subject to arbitration hereunder; provided, however, that such consent shall not deprive any Party of the right to appeal the decision of any such court to a proper appellate court located elsewhere or to voluntarily commence or join any action, suit or proceeding in any other jurisdiction having proper jurisdiction and venue.

(i) The preceding consents to the jurisdiction and venue of such arbitrations and courts have been made by the Parties in reliance (at least in part) on Section 5-1402 of the General Obligations Law of the State of New York, as amended (as and to the extent applicable), other applicable law, and the rules of the AAA. No Party will raise, and each Party hereby absolutely, unconditionally, irrevocably and expressly waives forever, any objection or defense to any such jurisdiction as an inconvenient forum, or to any deference to or delay for any arbitration respecting any counterclaim or other matter relating to any Arbitration Exclusion.

(j) Except as otherwise provided in this Agreement in any arbitration or court proceeding, SPAR shall pay the costs and expenses of the Arbitrator or court proceeding (as applicable); and each Party shall pay its own expenses in such matter, including the fees and disbursements of its own attorneys; provided, however, that if Employee is the predominately winning Party, SPAR shall immediately reimburse Employee for Employee's expenses in such matter, including the fees and disbursements of Employee's own attorneys.

In Witness Whereof, the Parties hereto have executed and delivered this Agreement intending to be legally bound by it and for it to be effective as of the earliest of date first written above and the dates written below:

**SPAR Group, Inc., and
SPAR Marketing Force, Inc.**

Employee

By: _____

[Signature]

[Print Name and Title]

[Print Name]

Dated Signed: April __, 2020

Dated Signed: April __, 2020