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**NOTICE OF ANNUAL GENERAL MEETING****DATATEC LIMITED**

(Incorporated in the Republic of South Africa)  
Registration number 1994/005004/06  
Share code: DTC ISIN: ZAE000017745  
("Datatec" or "the Company")

Notice is hereby given that the Annual General Meeting of shareholders of Datatec will be held at the Michelangelo Hotel, 135 West Street, Nelson Mandela Square, Sandown 2146, Republic of South Africa at 14:30 on 14 September 2011 for the purpose of considering and voting on the following resolutions with or without modification:

**1. CONSIDERATION OF ANNUAL FINANCIAL STATEMENTS****Ordinary Resolution Number 1**

"Resolved that the audited Annual Financial Statements, including the directors' report and the Audit, Risk and Compliance Committee report, and Group Annual Financial Statements for the year ended 28 February 2011 all of which are contained in the Annual Report of which this notice forms part be and are hereby accepted."

*In order for this resolution to be adopted, the support of a majority of votes (which, for purposes of this Annual General Meeting notice, means 50%+1) cast by shareholders present or represented by proxy at the meeting is required.*

**2. RE-ELECTION OF DIRECTOR****Ordinary Resolution Number 2**

"Resolved that Mr J P Montanana who retires in terms of the Company's memorandum of incorporation ("the Mol") and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 20 of the integrated report for Mr Montanana's brief curriculum vitae. On behalf of the Board, the Chairman confirms that on the basis of the annual evaluation of the Board, the performance and commitment of Mr Montanana throughout his period of office was highly satisfactory.

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

**3. RE-ELECTION OF DIRECTOR****Ordinary Resolution Number 3**

"Resolved that Mr S J Davidson who retires in terms of the Mol and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 20 of the integrated report for Mr Davidson's brief curriculum vitae. On behalf of the Board, the senior non-executive director confirms that on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Davidson throughout his period of office was highly satisfactory.

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

**4. RE-ELECTION OF DIRECTOR****Ordinary Resolution Number 4**

"Resolved that Mr N J Temple who retires in terms of the Mol and who offers himself for re-election, be and is hereby re-elected as a director of the Company."

Please refer to page 21 of the integrated report for Mr Temple's brief curriculum vitae. On behalf of the Board, the Chairman confirms that on the basis of the annual evaluation of the Board and of the performance of individual directors, the performance and commitment of Mr Temple throughout his period of office was highly satisfactory.

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

**5. ELECTION OF DIRECTOR****Ordinary Resolution Number 5**

"Resolved that Ms O Ighodaro, who was appointed by the Board on 1 September 2010, be and is hereby elected as a director of the Company."

Please refer to page 21 for Ms Ighodaro's brief curriculum vitae. On behalf of the Board, the Chairman confirms that Ms Ighodaro's strong international experience and broad financial expertise will make a significant contribution to Datatec's ongoing growth."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

#### **6. RATIFICATION OF REAPPOINTMENT OF INDEPENDENT AUDITORS**

##### **Ordinary Resolution Number 6**

"Resolved that the reappointment of Deloitte & Touche as auditors of the Company made by the Audit, Risk and Compliance Committee be ratified and that Ian Marshall be appointed as the designated auditor to hold office for the ensuing year."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

#### **7. APPROVAL OF AUDITOR'S REMUNERATION**

##### **Ordinary Resolution Number 7**

"Resolved that the Audit, Risk and Compliance Committee of the Company be and is hereby authorised to fix and pay the auditors' remuneration for the year ended 28 February 2011."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

#### **8. ELECTION OF AUDIT COMMITTEE MEMBERS**

##### **Ordinary Resolution Number 8**

"Resolved that the Audit, Risk and Compliance Committee be elected to serve from this Annual General Meeting to the 2012 Annual General Meeting by separate election to the committee of the following independent non-executive directors:

- 8.1 – Mr C S Seabrooke;
- 8.2 – Ms O Ighodaro; and
- 8.3 – Prof L W Nkuhlu.

On behalf of the Board, the Chairman confirms that each candidate for election to the Audit Committee has the necessary financial qualifications to discharge their role effectively and that the performance of each candidate in the service of the Audit Committee to the date of this notice has been highly satisfactory."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

#### **9. APPROVAL OF REMUNERATION POLICY**

##### **Ordinary Resolution Number 9**

"Resolved that the remuneration policy of the Company 2011 as reflected on page 60 of the integrated report of which this notice forms part be and is hereby endorsed through a non-binding advisory vote as required by King III."

#### **10. RATIFICATION OF DIRECTORS' REMUNERATION**

##### **Ordinary Resolution Number 10**

"Resolved that the remuneration of the directors of the Company for the year ended 28 February 2011 as reflected on page 70 of the integrated report of which this notice forms part be and is hereby ratified."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

#### **11. PLACE UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS**

##### **Ordinary Resolution Number 11**

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the Board of Directors of the Company until the next Annual General Meeting and that the directors of

**NOTICE OF ANNUAL GENERAL MEETING** continued

the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such unissued ordinary shares as they may deem fit, subject always to:

- the Companies Act, 2008, the Mol and the JSE Limited ("JSE") Listings Requirements where applicable;
- such directors' authority pursuant to this Ordinary Resolution Number 11 to allot, issue and otherwise dispose of unissued ordinary shares in the Company being limited to 8 000 000 ordinary shares being approximately 4,3% of the current issued share capital of the Company"

*In order for this resolution to be adopted, the support of 75% of the votes cast by shareholders present or represented by proxy at the meeting is required in terms of the Listings Requirements of the JSE.*

**12. APPROVAL OF AMENDMENTS TO EMPLOYEE SHARE PLANS**

In respect of the following share plans: Datatec Limited Long Term Incentive Plan 2005; the Datatec Limited Share Appreciation Right Scheme 2005 and the Datatec Limited Deferred Bonus Plan 2005.

**Ordinary Resolution Number 12**

"Resolved that:

1. The Company hereby approves the amendments made to the following employee share plans in order to better align them with the interests of shareholders:
  - Datatec Limited Share Appreciation Right Scheme 2005 (the "SAR Scheme");
  - Datatec Limited Long Term Incentive Plan 2005 (the "LTIP"); and
  - Datatec Limited Deferred Bonus Plan 2005 (the "DBP").

These amendments will only apply to grants made after the date of approval of this resolution.

The rules of each plan, showing the proposed amendments, will be available for inspection at Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, Johannesburg 2148 (the Company's registered office in South Africa) for 14 days prior to the Annual General Meeting of the Company.

2. The proposed amendments made to the SAR Scheme can be summarised as follows:
  - (a) In line with King III, the abolition of any retesting of the performance condition four and five years after grant, if the condition is not met on first testing three years after grant.
  - (b) The Remuneration Committee is envisaging introducing more stretching performance conditions to the SAR Scheme. Therefore, the performance condition ("hurdle") for 100% vesting will be increased from the current condition that underlying EPS ("uEPS") must increase by United States ("US") Consumer Price Index ("CPI") Inflation +6% over the three year vesting period to the following:  
50% vesting for uEPS increase by US CPI inflation +6% over three years (2% pa) (lower target); and  
100% vesting for uEPS increase by US CPI inflation +12% over three years (4% pa) (upper target).

Linear vesting will occur between the upper and lower target. These targets will be stipulated in the annual grant letters as required by the rules of the SAR Scheme and as directed by the Remuneration Committee.

- (c) As a quid pro quo for tougher performance conditions introduced, the face value limit of SARs which may be made to any individual will be increased from 80% of base salary to 150% of base salary.
  - (d) As a consequence of the increase in the face value limit, expected value limit of awards granted under the SAR Scheme, LTIP and DBP at any one time will be increased from 100% of base salary to 200% of base salary in a particular financial year.
  - (e) Certain amendments to the SAR Scheme will be made to clarify the settlement method which may be used by the Company. Ultimately the Company will not change the method currently used to settle benefits under the SAR Scheme. However, these amendments will assist in confirming that a corporate tax deduction may be claimed as well as the most efficient settlement method may be adopted for accounting purposes.
3. The proposed amendments made to the LTIP can be summarised as follows:
    - (a) The Remuneration Committee envisages maintaining the performance hurdle at the median Total Shareholder Return ("TSR") ranking but reducing the vesting to zero at this level (currently 30%) rising on a linear scale to 100% at the lower end of the upper quartile (as before).
    - (b) In order to clarify the rules, the definition of vesting condition and vesting period is introduced in order to clearly differentiate between the period during which performance conditions will be tested (i.e. performance period) and the period during which the participant will be required to remain in the employment of the Company (i.e. vesting period) as well as to clearly differentiate Company performance conditions from the tenure condition. The definition of vesting date is amended to reflect these.

As a result of this introduction of the above definitions, the leaver provisions will be amended to refer to termination of employment before the vesting date (i.e. the later of the date on which the performance conditions have been met and the date on which the vesting condition has been met).

- (c) The introduction of a "holding period(s)" to a portion of the shares settled under a conditional award determined with reference to the upper income tax bracket of the participant. Currently, conditional awards are subject to a

- performance period of three years after which it vests. The current three-year performance period will be retained, but following the vesting date a further holding period(s) will be introduced whereby participants will be restricted from disposing of a portion of the shares settled under the conditional award for a further period(s) (for 50% of the portion subject to the holding period a further one year from the vesting date and the balance a further two years from vesting date is envisaged). In order to effect this amendment, the definitions of holding period, first release date and second release date are introduced or amended.
- (d) As a quid pro quo for tougher performance conditions introduced, the limit in the face value of conditional awards which may be made to any individual will be increased from 80% of base salary to 150% of base salary.
  - (e) As a consequence of the increase in the face value limit, the expected value limit of awards granted under the SAR Scheme, LTIP and DBP at any one time will be increased from 100% of base salary to 200% of base salary in a particular financial year.
  - (f) Certain amendments to the LTIP will be made to clarify the settlement method which may be used by the Company. Ultimately the Company will not change the method currently used to settle benefits under the LTIP. However, these amendments will assist in confirming that a corporate tax deduction may be claimed as well as the most efficient settlement method may be adopted for accounting purposes.
4. The proposed amendments made to the DBP can be summarised as follows:
- (a) Introduce a mandatory purchase of pledged shares of 20% of each participant's gross bonus to be used to purchase pledged shares. This portion will be stipulated in the annual grant letters as required by the rules of the DBP and as directed by the Remuneration Committee;
  - (b) Allow participants to invest a further optional 40% of gross bonus by purchasing pledged shares if the participant wishes. This portion will be stipulated in the annual grant letters as required by the rules of the DBP and as directed by the Remuneration Committee;
  - (c) Introduce performance condition for uEPS growth for matching awards after three years as follows:
    - 50% will be matched to the extent that the participant holds the pledged shares to which the matching awards relate if the participant remains in the employment of the Company;
    - US CPI +12% (4% p.a.) – 100% will be matched to the extent that the participant holds the pledged shares to which the matching awards relate;
    - US CPI +24% (8% p.a.) – 150% will be matched to the extent that the participant holds the pledged shares to which the matching awards relate (a higher level of matching for over performance).

As a result of the introduction of performance conditions, the rules will be amended to introduce the definitions of performance condition, performance period, vesting condition and vesting period and the definition of vesting date was amended to reflect these.

As a result of the introduction of the above definitions, the reconstruction and takeover, and the leaver provisions (i.e. in the case of retrenchment, ill health, disability, any other circumstances which the Company may consider appropriate or death) will be amended. These amendments will state that a portion of the matching award will vest on the date of these occurrences provided that the pledged shares to which the matching awards relate are still held by the participant. The proportion reflects the number of months of the vesting period which have been served up to the date of termination as a proportion of the total number of months of the vesting period. The performance condition (if any) will be tested and the number of shares which vest (if any) will be calculated and will be transferred to the participant. The portion which does not vest will lapse.

- (d) As quid pro quo for the introduction of performance conditions to the DBP, the limit in the face value of pledged shares which may be acquired by any participant will be increased from 30% of base salary to 75% of base salary;
- (e) As a consequence of the increase in the face value limit, the expected value limit of awards granted under the SAR Scheme, LTIP and DBP at any one time will be increased from 100% of base salary to 200% of base salary in a particular financial year;
- (f) Certain amendments to the DBP will be made to clarify the settlement method which may be used by the Company. Ultimately the Company will not change the method currently used to settle benefits under the DBP. However, these amendments will assist in confirming that a corporate tax deduction may be claimed as well as the most efficient settlement method may be adopted for accounting purposes;
- (g) Participants will be entitled to receive a dividend equivalent within a specific period after the vesting date. The dividend equivalent will be paid in cash or in shares (as directed by the Remuneration Committee) and will be calculated with reference to the dividends declared by the Company in respect of shares and the number of matching awards which vests in the participant.

*In order for this resolution to be adopted, the support of 75% of votes cast by shareholders present or represented by proxy at the meeting is required in terms of the JSE Listings Requirements.*

**NOTICE OF ANNUAL GENERAL MEETING** continued**13. AUTHORITY TO SIGN ALL DOCUMENTS REQUIRED****Ordinary Resolution Number 13**

"Resolved that subject to the passing of terms of the Ordinary Resolutions 1 to 12 and Special Resolution 1 (below), any Director of the Company or the Company Secretary shall be and is hereby authorised to sign all documents and perform all acts which may be required to give effect to such Ordinary Resolutions 1 to 12 and Special Resolution 1 (below) passed at the Annual General Meeting."

*In order for this resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at the meeting is required.*

To consider and if deemed fit, to pass the following special resolution:

**14. GENERAL AUTHORITY TO REPURCHASE SHARES****Special Resolution Number 1**

"Resolved that the Board of Directors of the Company be authorised by way of a general authority given as a renewable mandate, to facilitate the acquisition by the Company or a subsidiary of the Company of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the Mol, the provisions of the Companies Act, 2008 and the JSE Listings Requirements, when applicable and provided that:

- a paid press release giving such details as may be required in terms of the JSE Listings Requirements be published when the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the shares of the Company in issue as at the time the general authority was granted and for each 3% in aggregate of the initial number of shares acquired thereafter;
- the authorisation granted above shall remain in force from the date of passing of this special resolution for a period of 15 (fifteen) months or until the next Annual General Meeting, whichever period is shorter;
- the Company will only appoint one agent to effect any repurchase(s) on its behalf;
- the Company or its subsidiary shall not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- the repurchase by the Company of its own securities above may not exceed 20% (twenty percent) of the Company's issued ordinary share capital in the aggregate in any one financial year or, in the case of acquisition by any of the Company's subsidiaries, 10% (ten percent) of such issued ordinary share capital in the aggregate if such shares are to be held as treasury shares;
- any such repurchases are subject to Exchange Control Approval at that point in time; and
- in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company or a subsidiary of the Company.

As at the date of this resolution, the Company's directors undertake that they will not implement any such repurchase in the 12 (twelve) months following the date of this Annual General Meeting or for the period of the general authority, whichever is the longer, unless the solvency and requirements set out in section 4 of the Companies Act, 2008 are met.

*75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the meeting must be cast in favour of this resolution in terms of the Company's Mol in order for it to be adopted.*

**Additional disclosure**

For purposes of considering Special Resolution Number 1 and in terms of the JSE Listings Requirements, the information below has been included in the integrated report, in which this notice of Annual General Meeting is included, at the places indicated:

- Directors and management (refer to page 188 of this report);
- Major shareholders (refer to page 187 of this report);
- Directors' interests in securities (refer to pages 72 and 73 of this report); and
- Share capital of the Company (refer to page 141 of this report).

The directors undertake that the Company will not commence a general repurchase of shares as contemplated above unless the following can be met:

- the Company and the Group will be able to repay its debts in the ordinary course of business for a period of 12 months following the date of the general repurchase; and
- the Company and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Act; and
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of the repurchase; and
- the Sponsor to the Company provides a letter of confirmation on the adequacy of working capital in terms of section 2.12 of the JSE Listings Requirements prior to any repurchases being implemented on the open market of the JSE.

#### **Litigation statement**

The directors, whose names are given on page 188 of the integrated report of which this notice forms part, are not aware of any legal or arbitration proceedings, other than such proceedings disclosed on page 148, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the Group's financial position.

#### **Directors' responsibility statement**

The directors, whose names are given on page 188 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this Special Resolution Number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

#### **Material changes**

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of the Company and/or the Group since the date of signature of the audit report and the date of this notice.

#### **Reason and effect**

The reason and effect for Special Resolution Number 1 is to authorise the Company and/or its subsidiary company by way of a general authority to acquire its own issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above.

#### **Statement of Board's intention**

The directors of the Company have no specific intention to effect the provisions of Special Resolution Number 1 but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of Special Resolution Number 1.

## **15. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING.**

#### **Note:**

The following resolutions were proposed at a shareholders' meeting of the Company on 3 August 2011:

- Authority to provide financial assistance to any Group company in accordance with section 45 of the Companies Act;
- Approval of non-executive directors' fees for the period up to the Company's 2012 AGM.

These resolutions are not therefore included in the 2011 AGM but equivalent resolutions will be presented to shareholders at the 2012 AGM and annually thereafter.

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**NOTICE OF ANNUAL GENERAL MEETING** continued**Voting and proxies**

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to attend and vote at the meeting is Monday, 12 September 2011. Accordingly, the last day to trade for the purposes of being entitled to attend and vote at the meeting is Monday, 5 September 2011.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder of the Company. Proxy forms must be forwarded to reach the registered office of the Company or the Company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001, or posted to the transfer secretaries at PO Box 61051, Marshalltown 2107, South Africa so as to be received by them by no later than 14:30 on 12 September 2011. Any forms of proxy not lodged by this time must be handed to the chairman of the meeting.

Shareholders holding shares on the Jersey Branch register should forward the proxy form sent with this notice to Computershare Investor Services (Jersey) Limited in accordance with the instructions on the proxy form.

Proxy forms must only be completed by shareholders who have dematerialised their shares with "own name" registration or who have not dematerialised their shares.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, who are unable to attend the Annual General Meeting but wish to be represented thereat, should contact their Central Securities Depository Participant ("CSDP") or broker (as the case may be) in the manner and time stipulated in their agreement entered into by such shareholder and the CSDP or broker (as the case may be) to furnish the CSDP or broker (as the case may be) with their voting instructions and in the event that such shareholders wish to attend the meeting, to obtain the necessary authority to do so. Such shareholders who wish to attend the Annual General Meeting in person must obtain the necessary letter of representation from their CSDP or broker.

Shareholders holding depository interests in shares on the Jersey Branch register should forward the form of instruction sent to them with this notice to Computershare Investor Services (Jersey) Limited in accordance with the instructions on the form of instruction.

Shares held by a share trust or scheme will not have their votes at general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

All meeting participants will be required to provide identification reasonably satisfactory to the chairman of the meeting.

By order of the Board



S P Morris

For and on behalf of  
Datatec Management Services (Pty) Limited  
Company Secretary

Sandton  
August 2011