

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to what action to take, please consult your central securities depository participant ("CSDP"), broker, banker, attorney or other professional advisor immediately.**

If you have disposed of all your ordinary shares in Datatec ("**Shares**" or "**Datatec Shares**") on or before Friday, 14 October 2022, you should forward this Circular immediately with the enclosed form of election ("**Form of Election**") to the purchaser to whom, or the CSDP, broker, banker, attorney or agent through whom, you disposed of such Shares.

All times referred to in this Circular are times in Johannesburg, South Africa (save as otherwise indicated).



**Datatec Limited**

Incorporated in the Republic of South Africa

(Registration Number: 1994/005004/06)

JSE share code: DTC

ISIN: ZAE000017745

("Datatec" or "the Company")

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## **CIRCULAR TO DATATEC SHAREHOLDERS ("this Circular")**

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*Regarding:*

**A SPECIAL CASH DIVIDEND OF 1250 ZAR CENTS PER DATATEC SHARE PAYABLE TO SHAREHOLDERS ("Special Cash Dividend") OR AN ELECTION TO RECEIVE FULLY PAID DATATEC SHARES ("Scrip Distribution Shares") AS AN ALTERNATIVE TO THE SPECIAL CASH DIVIDEND ("Scrip Distribution" or "Scrip Distribution Alternative")**

*and including:*

A FORM OF ELECTION (*grey*) (ONLY FOR USE BY CERTIFICATED SHAREHOLDERS)

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The following information pertains to all of the Company's Shareholders ("**Shareholders**" or "**Datatec Shareholders**").

**THE BOARD OF DIRECTORS OF DATATEC ("Board") HAS DECLARED A SPECIAL CASH DIVIDEND OF 1250 ZAR CENTS PER DATATEC SHARE. YOU ARE ENTITLED TO RECEIVE THIS SPECIAL CASH DIVIDEND IN PROPORTION TO YOUR SHAREHOLDING IN DATATEC ON THE RECORD DATE, BEING FRIDAY, 2 DECEMBER 2022 ("Record Date"). NO ACTION IS REQUIRED IF YOU WISH TO RECEIVE THE SPECIAL CASH DIVIDEND, UNLESS YOU ARE A SHAREHOLDER WHO HOLDS CERTIFICATED SHARES ("Certificated Shareholders") AND COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED ("Transfer Secretaries") IS NOT IN POSSESSION OF YOUR CORRECT BANK ACCOUNT DETAILS FOR ELECTRONIC PAYMENT OF THE SPECIAL CASH DIVIDEND, IN WHICH CASE YOU ARE REQUESTED TO COMPLETE "FORM B: DIRECT CREDIT - BANK ACCOUNT DETAILS" OF THE FORM OF ELECTION (*grey*) ATTACHED TO THIS CIRCULAR AND RETURN SAME TO THE TRANSFER SECRETARIES.**

**HOWEVER, SHOULD YOU SO ELECT, YOU WILL BE ENTITLED TO RECEIVE A SCRIP DISTRIBUTION OF NEW, FULLY PAID DATATEC SHARES IN PROPORTION TO YOUR SHAREHOLDING IN DATATEC ON THE RECORD DATE, BEING FRIDAY, 2 DECEMBER 2022 AND IN ACCORDANCE WITH THE RATIO SET OUT IN THIS CIRCULAR. YOU ARE NOT REQUIRED TO PAY FOR THE DATATEC SHARES TO WHICH YOU ARE ENTITLED IN TERMS OF THE SCRIP DISTRIBUTION ALTERNATIVE.**

**Wednesday, 19 October 2022**

**JSE Sponsor**



**Legal Advisors**



**IF YOU WISH TO RECEIVE THE SCRIP DISTRIBUTION ALTERNATIVE IN RESPECT OF ALL OR PART OF YOUR SHAREHOLDING AND:**

- **YOU HOLD DEMATERIALISED SHARES, YOU MUST INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE CUSTODY AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR**
- **YOU HOLD CERTIFICATED SHARES, YOU MUST COMPLETE THE ATTACHED FORM OF ELECTION (grey) AND RETURN IT TO THE TRANSFER SECRETARIES.**

**FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES TO BE RECEIVED BY NO LATER THAN 12H00 NOON ON THE RECORD DATE, BEING FRIDAY, 2 DECEMBER 2022. FORMS OF ELECTION RECEIVED AFTER THIS TIME WILL NOT BE ACCEPTED.**

**IF YOU DO NOT WISH TO RECEIVE THE SCRIP DISTRIBUTION ALTERNATIVE, NO FURTHER ACTION IS REQUIRED.**

**SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALISED SHAREHOLDER, ON MONDAY, 5 DECEMBER 2022, THE SPECIAL CASH DIVIDEND WILL BE PAID TO YOU, SUBJECT TO AND IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THIS CIRCULAR.**

**This Circular is available in English only and is available for viewing on the Company's website [www.datatec.com](http://www.datatec.com). Copies may be inspected at the registered office of the Company.**

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## IMPORTANT DATES AND TIMES

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EVENT	2022
Declaration announcement of Special Cash Dividend with Scrip Distribution Alternative announced on the Stock Exchange News Service of the JSE Limited (“SENS”) on	<b>Tuesday, 11 October</b>
Record date to determine eligible Shareholders to receive this Circular	<b>Friday, 14 October</b>
Distribution of Circular announced on SENS on	<b>Wednesday, 19 October</b>
Circular and Form of Election ( <i>grey</i> ) distributed on	<b>Thursday, 20 October</b>
Distribution of this Circular announcement published in the South African press on	<b>Thursday, 20 October</b>
Finalisation announcement released on SENS in respect of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day volume weighted average price (“VWAP”) ending on Monday, 21 November 2022 and confirmation of receipt of exchange control approval, by 11h00 on	<b>Tuesday, 22 November</b>
Finalisation announcement published in the South African press in respect of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day VWAP ending on Monday, 21 November 2022 and confirmation of receipt of exchange control approval on	<b>Wednesday, 23 November</b>
Last day to trade in order to be eligible for the Special Cash Dividend and the Scrip Distribution Alternative	<b>Tuesday, 29 November</b>
Shares trade “ex” entitlement to receive the Special Cash Dividend and the Scrip Distribution Alternative on	<b>Wednesday, 30 November</b>
Listing and trading of maximum possible number of Shares on the JSE Limited (“JSE”) in terms of the Scrip Distribution Alternative from the commencement of business on	<b>Wednesday, 30 November</b>
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the VWAP of a Share traded on the JSE on Wednesday, 30 November 2022, discounted by 10%, by 11h00 on	<b>Thursday, 1 December</b>
Last day to elect to receive the Scrip Distribution Alternative instead of the Special Cash Dividend, Forms of Election ( <i>grey</i> ) to reach the Transfer Secretaries by 12h00 on	<b>Friday, 2 December</b>
Record Date in respect of the Special Cash Dividend and the Scrip Distribution Alternative	<b>Friday, 2 December</b>
Special Cash Dividend payments made, and CSDP/broker accounts credited/updated with Scrip Distribution Shares on	<b>Monday, 5 December</b>
Announcement relating to the results of the Special Cash Dividend and the Scrip Distribution Alternative released on SENS on	<b>Monday, 5 December</b>
Announcement relating to the results of the Special Cash Dividend and the Scrip Distribution Alternative published in the South African press on	<b>Tuesday, 6 December</b>
JSE listing of Shares in respect of the Scrip Distribution Alternative adjusted to reflect the actual number of Shares issued in terms of the Scrip Distribution Alternative at the commencement of business on or about	<b>Tuesday, 6 December</b>

All times provided in this Circular are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised between Wednesday, 30 November 2022 and Friday, 2 December 2022, both days inclusive. If Datatec maintains a certificated register, then the register will be closed from Wednesday, 30 November 2022 to Friday, 2 December 2022, both days inclusive.



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**Directors**

***Executive Directors***

Jens Peter Montanana (Chief Executive Officer)

Ivan Philip Dittrich (Chief Financial Officer)

***Independent Non-executive Chair***

Maya Makanjee

***Independent Non-executive Directors***

Stephen James Davidson

John Francis McCartney

Charles Richard Kenneth Medlock

Mfundiso Johnson Ntabankulu Njeke

Deepa Shantilal Sita

Luis Claudio Rapparini Soares

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**CIRCULAR TO DATATEC SHAREHOLDERS**

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1. **INTRODUCTION**

Shareholders are referred to the announcement released on SENS on 30 June 2022, detailing the terms of the disposal of the Company’s Analysys Mason Limited (“**AM**”) business across Europe, Asia-Pacific and the Middle East (“**AM Transaction**”) and to the announcement released on SENS on Tuesday, 27 September 2022 regarding completion of the AM Transaction on Tuesday, 27 September 2022.

Datatec sold its entire 71.2% shareholding in AM which had been held by its 100% subsidiary Datatec PLC, and received its portion (namely 71.2%) of the initial consideration on completion, comprising approximately £128 million in cash and £7.1 million in principal amount of Deferred Loan Notes, payable three years after completion. The Board now intends to distribute a total of approximately £135.1 million to Shareholders, including the total gross cash consideration received pursuant to the AM Transaction and approximately £7.1 million in distributable reserves from the Company’s existing resources. The Company will be responsible for settling all transaction costs related to the AM Transaction and this will not reduce the distribution to Shareholders.

Shareholders are referred to the announcement of the declaration of the Special Cash Dividend with Scrip Distribution Alternative released on SENS on Tuesday, 11 October 2022, in terms of which the Board notified Shareholders that it had resolved to return the aforementioned amount of approximately £135.1 million to Shareholders by declaring a Special Cash Dividend of 1250 ZAR cents per Datatec Share held on the Record Date, being Friday, 2 December 2022.

Shareholders will, however, be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec Shares in proportion to their shareholding in Datatec on the Record Date, being Friday, 2 December 2022 and in accordance with the ratio set out in this Circular. Shareholders are not required to pay for the Datatec Shares to which they are entitled in terms of the Scrip Distribution Alternative. The Scrip Distribution Alternative will be issued only to those:

- Certificated Shareholders whose Forms of Election (*grey*) to receive the Scrip Distribution Alternative, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12h00 on the Record Date, being Friday, 2 December 2022; and
- dematerialised Shareholders who have instructed their CSDPs or brokers accordingly and in the manner and time stipulated in their custody agreement with such CSDP or broker.

The terms of the Scrip Distribution Alternative are contained in paragraph 3 below.

Shareholders not electing to receive the Scrip Distribution Alternative in respect of all or part of their shareholding will, without any action on their part, be entitled to receive the Special Cash Dividend in proportion to their shareholding as at the close of trading on the JSE on the Record Date, being Friday, 2 December 2022.

Datatec does not accept any responsibility, and will not be held liable, for any action on the part of, or omission by, any CSDP, broker or other agent of any beneficial owner of Datatec Shares.

No payment to Shareholders contemplated in this Circular shall carry interest as against the Company. Furthermore, any reference in this Circular to the Special Cash Dividend payable to or receivable by Shareholders refers to the amount of such dividend, after the deduction of Dividend Withholding Tax (“**DWT**”), if any, as contemplated in paragraph 3.4 below.

## 2. **RATIONALE**

The Board wishes to return to Shareholders the amount of approximately £135.1 million, equivalent to the consideration received by Datatec PLC from the sale of its interest in AM. Consequently, the Board has resolved to return 1250 ZAR cents per Share to Shareholders by way of the Special Cash Dividend with a Scrip Distribution Alternative. The gross total Special Cash Dividend is approximately ZAR 2,771,816,763.

Datatec’s current and forecast solvency and liquidity comfortably allows for the payment of the full Special Cash Dividend. The Board nevertheless wishes to offer those Shareholders who wish to increase their shareholding in the Company the opportunity to elect the Scrip Distribution Alternative instead of the Special Cash Dividend in respect of all or part of their shareholding as at the close of trading on the JSE on the Record Date, being Friday, 2 December 2022. This provides flexibility to Shareholders in the light of the global nature of the Company’s shareholder base.

## 3. **THE AWARD OF THE SPECIAL CASH DIVIDEND AND THE ELECTION TO RECEIVE THE SCRIP DISTRIBUTION ALTERNATIVE**

### 3.1 **Terms of the Special Cash Dividend and the Scrip Distribution Alternative**

Shareholders will be entitled to receive the Special Cash Dividend of 1250 ZAR cents per Datatec Share in respect of their shareholding as at the close of business on the Record Date, being Friday, 2 December 2022, in proportion to their shareholding in Datatec and to the extent that such Shareholders have not elected to receive the Scrip Distribution Alternative in respect of all or part of their shareholding.

However, Shareholders will be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec Shares in respect of their shareholding in Datatec as at the Record Date, being Friday, 2 December 2022 in respect of all or part of their shareholding, *in lieu* of the Special Cash Dividend.

The number of Scrip Distribution Shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution Alternative (subject to their election thereto) will be determined by reference to such Shareholder’s shareholding in Datatec (at the close of business on the Record Date, being Friday, 2 December 2022) in relation to the ratio that 1250 ZAR cents bears to the VWAP of a Datatec Share traded on the JSE during the 30-day trading period ending on Monday, 21 November 2022, provided that, where the application of this ratio gives rise to a fraction of a Share, the rounding principles described in paragraph 3.2 below will be applied.

#### Example of Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 Datatec Shares at the close of business on the Record Date, being Friday, 2 December 2022, and elects to receive the Scrip Distribution Alternative in respect of all of such Shares, and that the VWAP of Datatec Shares traded on the JSE for the 30-day trading period ending Monday, 21 November 2022, is 4600 ZAR cents per Share.

$$\begin{aligned} \text{New Share entitlement} &= \frac{100 \times 1250 \text{ ZAR cents}}{4600 \text{ ZAR cents}} \\ &= 27.17391 \text{ Scrip Distribution shares per 100 Shares held, subject to} \\ &\text{the rounding principles described in paragraph 3.2 below. This would} \\ &\text{result in a Shareholder with 100 Datatec Shares receiving a new Share} \\ &\text{entitlement of 27 Scrip Distribution Shares and a cash payment for the} \\ &\text{fraction 0.17391, in terms of paragraph 3.2 below.} \end{aligned}$$

The Special Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Distribution Shares (which will equal the VWAP of Datatec Shares traded on the JSE for the 30-day trading period ending on Monday, 21 November 2022) will be settled by way of a capitalisation of the Company's distributable retained profits. The Scrip Distribution Shares will, upon their issue, rank *pari passu* in all respects with the other Datatec Shares then in issue.

The Company's total number of issued Shares at the date of this Circular is 221,745,341. As at 14 October 2022, the Company did not have any Shares held as treasury Shares. Datatec's South African income tax reference number is 9999/493/71/2.

If all Shareholders were to elect to receive the Scrip Distribution, the number of Scrip Distribution Shares issued would amount to 60,256,879, based on the assumed Scrip Distribution ratio in the example above (and ignoring rounding down for fractions on a per Shareholder basis) and the aggregate issue price of approximately ZAR2,771,816,434, based on the example above, being capitalised out of the Company's distributable retained profits.

If all Shareholders were to receive the Special Cash Dividend (by not electing the Scrip Distribution) the maximum gross Special Cash Dividend payable by the Company would be approximately ZAR2,771,816,763.

### 3.2 Fractions

Where a Shareholder's entitlement to new Datatec Shares calculated in accordance with the above formula gives rise to a fraction of a new Share, such fraction of a new Share will be rounded down to the nearest whole number, resulting in allocations of whole Shares and a cash payment for the fraction.

The applicable cash payment will be determined with reference to the VWAP of a Datatec Share traded on the JSE on Wednesday, 30 November 2022, (being the day on which Datatec Shares begin trading 'ex' the entitlement to receive the Special Cash Dividend or the Scrip Distribution Alternative), discounted by 10%. For illustrative purposes, this Circular assumes the VWAP of a Datatec Share traded on the JSE on Wednesday, 30 November 2022 to be 4600 ZAR cents. The basis for the applicable cash payment would therefore be 4140 ZAR cents (4600 ZAR cents discounted by 10%).

The basis for the applicable cash payment will be announced on SENS on Thursday, 1 December 2022, by 11h00.

#### Example of fractional entitlement:

This example assumes that a Shareholder holds 100 Datatec Shares at the close of business on the Record Date (being Friday, 2 December 2022) and elects to receive the Scrip Distribution Alternative in respect of all of their shareholding.

New Share entitlement =  $100 \times 27.173913\%$   
= 27.173913 new Scrip Distribution Shares. The rounding provision described above is then applied and the shareholder will receive:

27 Scrip Distribution Shares in respect of the 100 Shares held and a cash payment for the fractional entitlement based on the 4140 ZAR cents noted above of  $4140 \times 0.173913 = 720$  ZAR cents. This fractional entitlement payment will not be subject to DWT.

### 3.3 Nominee companies

The Transfer Secretaries have been instructed to treat applications from nominee companies as separate applications on the submission of a breakdown of the beneficial owners of Shares registered in the name of the nominee companies.

### 3.4 Tax implications

3.4.1 The Special Cash Dividend is likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act 58 of 1962 (the "**Income Tax Act**"), the Special Cash Dividend will, unless exempt, be subject to DWT.

3.4.2 South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Special Cash Dividend and this amount will be withheld from the Special Cash Dividend with the result that they will receive a net amount of 1000 ZAR cents per share.

- 3.4.3 Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of tax residence, the applicability of any Double Taxation Agreement between South Africa and their country of residence and the timely adherence to the administrative requirements to qualify for such reduced rate.
- 3.4.4 The Scrip Distribution Alternative and cash paid for a fraction of a Share will not be subject to DWT in terms of the Income Tax Act. Recipients of the fractional amount may be subject to income tax or capital gains tax, depending on their particular circumstances. You are advised to seek tax advice in this regard.
- 3.4.5 The subsequent disposal of Datatec Shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax implications. Where any future disposals of Shares obtained as a result of the Scrip Distribution are effected, the expenditure incurred in respect of such shares will be deemed to be nil in terms of the Income Tax Act.

#### 4. **FOREIGN SHAREHOLDERS**

The distribution of this Circular, and the rights to receive the Scrip Distribution Shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution Shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected to receive the Special Cash Dividend. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

#### 5. **PROCEDURE FOR SHAREHOLDERS WHO ELECT TO RECEIVE THE SCRIP DISTRIBUTION ALTERNATIVE**

Shareholders who wish to receive the Scrip Distribution Alternative must take the following action:

##### 5.1 **Certificated Shareholders wishing to receive the Scrip Distribution:**

Certificated Shareholders who wish to receive the Scrip Distribution must complete the attached Form of Election (*grey*) in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with the Transfer Secretaries, at Rosebank Tower, 15 Biermann Avenue, Rosebank, 2196, or mail it to Private Bag X3000, Saxonwold, 2132 so as to be received no later than 12h00 on the Record Date, being Friday, 2 December 2022. Forms of Election (*grey*) received after this date and time will not be accepted. Forms of Election (*grey*) may also be emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of mailed or emailed Forms of Election (*grey*) or owing to Forms of Election (*grey*) being sent or delivered to any other mail address or email address other than those provided above. Forms of Election (*grey*) shall be deemed to be received on the date reflected in Computershare's electronic systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their Form of Election (*grey*) is received by the Transfer Secretaries. As the JSE requires any new shares to be issued in dematerialised form, Certificated Shareholders who elect the Scrip Distribution Alternative in respect of any or all of their Datatec Shares are requested to also complete FORM C of the Form of Election (*grey*) attached to this Circular with the details of their account held with their duly appointed CSDP or broker and return same to the Transfer Secretaries.

##### 5.2 **Dematerialised Shareholders wishing to receive the Scrip Distribution:**

Shareholders who have dematerialised their Shares ("**Dematerialised Shareholders**") must **not** complete the attached Form of Election. Dematerialised Shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the Scrip Distribution, in the manner and the time stipulated in the custody agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Special Cash Dividend.

Dematerialised Shareholders' CSDP/broker accounts will be credited and updated on Monday, 5 December 2022, in accordance with any election made.

### 5.3 Election in respect of all or part of the Shareholders' Shares

Shareholders may make the election, using the Form of Election (*grey*), in respect of all or any part of their Shares held on the Record Date, being Friday, 2 December 2022. If an election is made in respect of part of a shareholding, the Shareholder concerned will receive the Special Cash Dividend in respect of the Shares for which the election to receive the Scrip Distribution is **not** made. Shareholders who do not wish to receive any Scrip Distribution Shares do not need to take any further action and will receive the Special Cash Dividend, save that Certificated Shareholders whose correct bank account details for electronic payment of the Special Cash Dividend are not in the possession of the Transfer Secretaries, are requested to complete "**Form B: Direct Credit – Bank Account Details**" of the Form of Election (*grey*) and return same to the Transfer Secretaries. Shareholders electing to receive the Scrip Distribution should note that the election is irrevocable and, once an election to receive the Scrip Distribution is made, such election cannot be cancelled.

**In addition to the above, if you currently hold Shares in certificated form, you should pay special attention to the provisions of the following paragraph:**

The Company will, due to changes in securities legislation, no longer issue physical share certificates in respect of Datatec Shares to any Shareholders in relation to scrip distributions (including the Scrip Distribution Alternative). To receive your Shares pursuant to the Scrip Distribution Alternative in dematerialised form, you are required to have a dematerialised share account.

The Company has, by election in terms of section 33(1) and (2) of the Financial Markets Act, 19 of 2012 and per agreement with the Transfer Secretaries, facilitated that such dematerialised share accounts be opened for all Certificated Shareholders by Computershare Nominees Proprietary Limited (a licensed Strate Proprietary Limited ("**Strate**") participant).

Dematerialised Shares will be credited to new beneficial Shareholders' accounts, held by Computershare Nominees Proprietary Limited, who will hold such Datatec Shares as the registered holder thereof, for and on behalf such Certificated Shareholders who have elected the Scrip Distribution Alternative. The beneficial owner of such Datatec Shares will be recorded on a nominee sub-register maintained by Computershare Nominees Proprietary Limited in accordance with regulations of Strate.

Certificated Shareholders will receive a share statement containing their share account number and CSDP contact information, once the share allocation by the Transfer Secretaries has been made in respect of their Datatec Shares pursuant to the Scrip Distribution Alternative.

**It should be noted that such dematerialised accounts will be blocked from trading until such time that Certificated Shareholders have signed a custody mandate, provided bank account details, and provided documents to the Transfer Secretaries in terms of the Financial Intelligence Centre Act, 38 of 2001, and their accounts have been updated.**

**Shareholders can contact the Transfer Secretaries call center at: 086 11 00 933 or +27 11 370 5000, for assistance. More information is available at [www.computershare.co.za](http://www.computershare.co.za)**

Once a Shareholder's account has been regularised with a signed custody mandate, documents provided in terms of the Financial Intelligence Centre Act, 38 of 2001 and bank account details recorded, the Shareholder will have the option to trade their Shares via the Transfer Secretaries dealing desk or to move their Shares to the account of the Shareholder's own CSDP or broker, at the prescribed fee. The call centre will be able to assist regarding the requirements in this regard. Shareholders' receipt of future dividends and the ability to vote will be unaffected and Computershare Nominees Proprietary Limited will communicate with the Shareholders in this regard. Shareholders are urged to ensure they always keep their dematerialised share accounts current and provide required documentation as soon as possible.



## 6. **PAYMENT OF SPECIAL CASH DIVIDEND AND UPDATING/CREDITING OF CSDP/BROKER ACCOUNTS**

Shareholders electing to receive the Scrip Distribution will receive the new Datatec Shares in dematerialised form.

According to the election made, Special Cash Dividend payments or cash payments in respect of fractional entitlements will be made by electronic funds transfer into the personal bank accounts of Certificated Shareholders on Monday, 5 December 2022. Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details are requested to complete **FORM B: Direct Credit – Bank Account Details** of the Form of Election (*grey*) attached to this Circular and return same to the Transfer Secretaries. **(As payment by cheque has been discontinued in South Africa with effect from 1 January 2021, no cheques will be issued or paid in relation to the payment of the Special Cash Dividend or cash payments in respect of fractional entitlements. Consequently, payment of any Special Cash Dividend or cash payments in respect of fractional entitlements to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder’s banking details.)**

Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details and fail to provide the correct bank details to the Transfer Secretaries as requested above, shall have the Special Cash Dividend due to them held in trust by Datatec (or its agent) on their behalf for a period of 3 (three) years after Monday, 5 December 2022, after which the Special Cash Dividend due to them will be deemed to have been forfeited for the benefit of the Company and may no longer be claimed by the Certificated Shareholder.

Shareholders’ CSDP/broker accounts will be updated on Monday, 5 December 2022.

## 7. **LISTING OF NEW SHARES**

Application will be made to the JSE to list the maximum possible number of Scrip Distribution Shares issued in terms of the Scrip Distribution Alternative, with effect from the commencement of business on Wednesday, 30 November 2022. An adjustment of the number of Shares listed will be made on or about Tuesday, 6 December 2022, in accordance with the actual number of Shares issued in terms of the Scrip Distribution Alternative.

The right to receive new Shares in terms of the Scrip Distribution Alternative is not renounceable and may not be traded on the JSE.

## 8. **EXCHANGE CONTROL REGULATIONS**

In terms of the Exchange Control Regulations of the Republic of South Africa (the “**Exchange Control Regulations**”), which apply to Shareholders who are registered on the South African register, who are non-residents of the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Eswatini) (“**CMA**”) or have ceased to be tax resident in South Africa (previously known as emigrants from South Africa):

### 8.1 ***in the case of Certificated Shareholders:***

- 8.1.1 Shareholders will receive new ordinary Shares in dematerialised form. As such, any ordinary Shares issued to individuals that have ceased to be tax resident in South Africa or have emigrated from the CMA, other than South Africa, will be credited to their Shares accounts at the CSDP controlling their portfolios. A ‘Non-Resident’ annotation will be applied to these shares by the CSDP controlling their portfolio;
- 8.1.2 any Shares issued to a non-resident of the CMA will be credited to such non-resident’s CSDP or broker account and a “non-resident” annotation will appear in the CSDP or broker register;
- 8.1.3 cash dividend payments paid out of the Company’s distributable profits and payments made in respect of fractional entitlements due to non-residents are freely transferable from South Africa. In respect of all non-residents of the CMA the Special Cash Dividend payments and payments made in respect of fractional entitlements will be paid by way of electronic funds transfer into the personal bank accounts of Certificated Shareholders as contemplated in paragraph 6 above; and

8.1.4 Certificated Shareholders are cautioned that, while cash dividend payments and fractional entitlements are freely transferrable to individuals that have ceased to be tax resident in South Africa, under the current law, these individuals must prove their tax compliance status to their Authorised Dealer processing the payment before the funds may be transferred. Individuals that ceased to be tax resident in South Africa are cautioned to seek advice with regard to the new laws that came into operation on 1 March 2021 that require such persons to obtain clearance from the South African Revenue Service and present same to the Authorised Dealer processing the payment before cash payments or scrip issues can be credited to their designated accounts.

**8.2 in the case of Dematerialised Shareholders:**

8.2.1 Shareholders will receive new ordinary Shares in dematerialised form. As such, any ordinary Shares issued to individuals that have ceased to be tax resident in South Africa or have emigrated from the CMA, other than South Africa, will be credited to their Shares accounts at the CSDP controlling their portfolios. A 'Non-Resident' annotation will be applied to these shares by the CSDP controlling their portfolio;

8.2.2 any Shares issued to a non-resident of the CMA will be credited to such non-resident's CSDP or broker account. A "Non-Resident" annotation will appear in the CSDP or broker register; and

8.2.3 any cash dividend payments paid out of the Company's distributable profits and fractional entitlements due to non-residents and emigrant Shareholders from the CMA are freely transferable and will be credited to the CSDP or broker controlling their portfolios, subject to the comments contained in paragraph 8.1.4 above applicable to Emigrants of the CMA.

**9. EXPERTS' CONSENTS**

The JSE Sponsor, Legal Advisor and the Transfer Secretaries to Datatec have consented in writing to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

By order of the Board

**Simon Morris**

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

**Registered office:** *Third Floor, Sandown Chambers, Sandown Village, 81 Maude Street, Sandown, 2031, Johannesburg, South Africa.*

Wednesday, 19 October 2022  
Sandown



**Datatec Limited**

Incorporated in the Republic of South Africa

(Registration Number 1994/005004/06)

JSE share code: DTC

ISIN: ZAE000017745

("Datatec" or "the Company")

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## **FORM OF ELECTION**

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### **A SPECIAL CASH DIVIDEND OR, ALTERNATIVELY, A SCRIP DISTRIBUTION**

Only for use by Shareholders who hold Shares in Datatec in certificated form and (i) who elect to receive the Scrip Distribution Alternative for all or part of their shareholding held, or deemed to be held, at the close of business on the Record Date, being Friday, 2 December 2022, failing which the Special Cash Dividend will, by default, be paid to such Shareholders, and/or (ii) have not already provided the Transfer Secretaries with their banking details and are requested to complete FORM B: Direct Credit – Bank Account Details and return this Form of Election to the Transfer Secretaries.

Dematerialised Shareholders who wish to receive the Scrip Distribution Alternative are required to notify their duly appointed CSDP or broker of their election in the manner and the time stipulated in the custody agreement governing the relationship between such Shareholders and their CSDP or broker and must not complete this Form of Election. Please refer to paragraph 5.2 of the Circular to which this Form of Election is attached ("Circular").

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### **IF YOU WISH TO RECEIVE THE SCRIP DISTRIBUTION FOR ALL OR PART OF YOUR SHAREHOLDING AND:**

- YOU HOLD DEMATERIALISED SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE CUSTODY AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR
- YOU HOLD CERTIFICATED SHARES, YOU MUST COMPLETE THIS FORM OF ELECTION AND RETURN IT TO THE TRANSFER SECRETARIES.

IF YOU DO NOT WISH TO RECEIVE THE SCRIP DISTRIBUTION, NO FURTHER ACTION IS REQUIRED, UNLESS YOU ARE A CERTIFICATED SHAREHOLDER AND HAVE NOT ALREADY PROVIDED THE TRANSFER SECRETARIES WITH YOUR BANKING DETAILS IN WHICH CASE YOU ARE REQUESTED TO COMPLETE FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS AND RETURN THIS FORM OF ELECTION TO THE TRANSFER SECRETARIES.

SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALISED SHAREHOLDER, ON MONDAY, 5 DECEMBER 2022 THE SPECIAL CASH DIVIDEND WILL BE PAID TO YOU IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THE CIRCULAR; IN THE CASE OF CERTIFICATED SHAREHOLDERS, ONLY IF YOU HAVE ALREADY PROVIDED THE TRANSFER SECRETARIES WITH YOUR BANKING DETAILS.

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**FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES SO AS TO BE RECEIVED BY NO LATER THAN 12h00 ON THE RECORD DATE, BEING FRIDAY, 2 DECEMBER 2022. FORMS OF ELECTION RECEIVED AFTER THIS TIME AND DATE WILL NOT BE ACCEPTED.**

### **To the Transfer Secretaries:**

Computershare Investor Services Proprietary Limited  
Rosebank Towers,  
15 Biermann Avenue  
Rosebank,  
2196  
(Private Bag X3000, Saxonwold, 2132)

### **Attention: Corporate Actions Department**

Tel: +27 11 870 8216 or, if calling within South Africa, 086 1100 634 (available between 08h00 and 16h30 SA time)

Email: [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za)

**Shareholders who do not mail their Form of Election should ensure that same are emailed to corporate.events@computershare.co.za. The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Election or owing to Forms of Election being forwarded to any other facsimile or email address other than those provided above. Forms of Election shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their Form of Election is received by Computershare Investor Services Proprietary Limited.**

I/We

(name in BLOCK LETTERS)

regarding the election of the Scrip Distribution Alternative instead of the Special Cash Dividend:

- hereby irrevocably, and on the terms and conditions contained in this Form of Election and in the Circular, elect to receive the Scrip Distribution in respect of all or part of my/our shareholding held on the Record Date, being Friday, 2 December 2022, instead of the Special Cash Dividend. The number of Scrip Distribution Shares to which I/we am/are entitled will be determined in the ratio that 1250 ZAR cents bears to the VWAP of a Datatec Share traded on the JSE during the 30-day trading period ending on Monday, 21 November 2022;
- acknowledge that this Form of Election is applicable only in respect of Shares in the Company of which I/we was/were the registered holder(s) at the close business on the Record Date, being Friday, 2 December 2022; and
- acknowledge that I/we am/are not entitled to receive the Special Cash Dividend, in respect of the number of Datatec Shares, reflected in Block (D) overleaf, held, or deemed to be held, by me/us at the close of business on the Record Date, being Friday, 2 December 2022 in respect of which I/we have elected to receive the Scrip Distribution Alternative.

Signed at

on

2022

Assisted by (where applicable)

Signature

Telephone numbers including international and area codes:

Home:

Work:

Cellphone/mobile number:

Email address:

**CERTIFICATED SHAREHOLDERS ARE REQUIRED TO ACCURATELY COMPLETE THE INFORMATION IN THE BLOCKS BELOW:**

Name, address and contact number of registered Shareholder	
(A)	
Name:	
Address:	
Contact telephone and/or cellular phone number:	
Email address:	
Nominated Authorised Dealer in the case of a Certificated Shareholder who is an emigrant from, or non-resident of, the Common Monetary Area:	
(A)	
Name:	
Address in South Africa or substitute instructions:	
Contact telephone and/or cellular phone number:	
Email address:	
Account number/Investor Code (IVC)	Number of Datatec Shares deemed to be held on the Record Date, being Friday, 2 December 2022, based on your shareholding at the close of business on Friday, 2 December 2022.
(B)	(C)
Anticipated number of Shares for which the Scrip Distribution is elected –	
The remaining Special Cash Dividend and Scrip Distribution entitlement will be calculated by the Transfer Secretaries. The maximum number of Shares for which the Scrip Distribution can be elected is the number of Shares still registered in your name in the Company’s registers on the Record Date, being Friday, 2 December 2022. (D)	
(If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Scrip Distribution Alternative based on your entire holding of Datatec Shares held, or deemed to be held, on the Record Date, being Friday, 2 December 2022. Therefore, Certificated Shareholders who wish to receive the Scrip Distribution based on their entire holding of Shares need to complete Block D and must complete and sign the rest of the Form of Election in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries.	
Date of signature	Signature

### **Instructions on how to complete this Form of Election:**

1. For the terms and conditions governing the election, refer to the Circular and to the notes below.
2. If you hold share certificate(s) and elect to receive the Scrip Distribution Alternative in respect of all or part of your shareholding, you should complete Block D above in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries. If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed not to have elected to receive the Scrip Distribution Alternative and, on Monday, 5 December 2022 the Special Cash Dividend will be distributed to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of Shares held, or deemed to be held, on the Record Date, being Friday, 2 December 2022.
3. The signature on this Form of Election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
4. Any alteration or correction made to this Form of Election must be initialled by the signatory(ies).
5. In order to be valid, this Form of Election must be properly completed and received by the Transfer Secretaries detailed above, by no later than 12h00 on Friday, 2 December 2022. If your Form of Election is received by the Transfer Secretaries by later than 12h00 on Friday, 2 December 2022, on Monday, 5 December 2022, the Special Cash Dividend will be paid to you, subject to and in accordance with the provisions detailed in this Circular and based on your entire holding of Shares held, or deemed to be held, on the Record Date, being Friday, 2 December 2022.
6. Should you have any queries as to the completion of this Form of Election, please contact the Transfer Secretaries.

### **Notes:**

1. Capitalised terms in the Form of Election bear the same meaning as in the Circular unless the context indicates otherwise.
2. Please note that, if your preference is to participate in the Scrip Distribution Alternative, an election must be made in respect of the number of Shares in the Company for which the Scrip Distribution is required. If no election is made for the Scrip Distribution Alternative, or if a Form of Election is received by the Transfer Secretaries timeously but it is not completed in accordance with the above instructions, the Shareholder will receive the Special Cash Dividend in accordance with the Shareholder's shareholding in the Company as of the Record Date, being Friday, 2 December 2022. Certificated Shareholders electing to participate in the Special Cash Dividend or Scrip Distribution Alternative and who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries.
3. Datatec reserves the right, in its discretion, to:
  - 3.1 treat as invalid (in which case the Special Cash Dividend will be awarded) any Form of Election not complying with the terms of the election or any instruction contained in the Circular;
  - 3.2 require proof of the authority of the person signing this Form of Election, where such proof has not yet been lodged with or recorded by the Transfer Secretaries.

<b>FORM B:</b>		<b>DIRECT CREDIT - BANK ACCOUNT DETAILS FORM</b>			
<b>FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF DATATEC LIMITED ("DATATEC") WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS</b>					
Full name of registered shareholder					
Identity number of person signing this form					
Your shareholder number (if known)					
E-mail address					
Cell phone number					
Office phone number					
Home phone number					
<b>REQUEST FOR DIRECT CREDITING OF PAYMENTS - BANK ACCOUNT DETAILS</b> <b>PLEASE NOTE: We cannot accept banking details in the name of a third party</b>					
Name of bank account holder					
Name of South African Bank					
Name of bank branch		Bank account number			
Bank branch code	Account type	Cheque	Transmission	Savings	
I/We hereby authorise <b>Computershare Investor Services Proprietary Limited</b> and/or Datatec to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.					
Signature of shareholder					
	Day		Month		Year
If you are signing this form in a representative capacity, please indicate which capacity (see over)					
<b>BANK VERIFICATION</b> I/We confirm that the above information about the abovementioned shareholders account at this Bank is correct  Signed on behalf of Bank  <i>THIS MUST BE COMPLETED BY YOUR BANK</i>		BANK STAMP HERE			

**THIS FORM MUST BE SIGNED AND ACCOMPANIED BY A CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.**

## **HOW TO COMPLETE THIS FORM**

### **Request for Direct Crediting of payments**

This form must be completed in full if you wish your cash dividend/distribution payments to be paid directly into your nominated South African bank account. Until cancelled in writing by you, all future cash payments will be paid into the nominated account.

**IMPORTANT: Do not use the number quoted on your credit or debit card.**

#### ***By signing this form, you:***

- Confirm that the details are true and correct.
- Understand that neither Datatec nor Computershare Investor Services Proprietary Limited is able to provide you a dividend cheque in the event that we are unable to transfer the funds due to you electronically.
- Understand and agree that neither Datatec nor Computershare Investor Services Proprietary Limited shall be responsible in any way for any loss you may suffer as a result of transfer/deposits being made in accordance with the information provided on this form.
- Understand and agree that any such deposit shall constitute a full and sufficient discharge of Datatec's and/or Computershare Investor Services Proprietary Limited's obligation to make such payments to me/us.
- Understand and agree that this payment instruction will be applied to all future cash payments.

This instruction only applies to the specific holding identified by the holder number and the name appearing on the front of this form.



**NOTE: We cannot accept banking details in the name of a third party.**

<b>IF YOU ARE SIGNING THIS FORM IN A REPRESENTATIVE CAPACITY, COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED REQUIRES THE FOLLOWING DOCUMENTATION IN ADDITION TO A CERTIFIED COPY OF YOUR IDENTITY DOCUMENT.</b>	
Joint holding:	Where the holding is in more than one name, the signature of the first mentioned shareholder is required
Power of attorney:	To sign under a Power of Attorney, you must have already lodged the Power of Attorney with Computershare Investor Services Proprietary Limited. Alternatively, please attach an original certified copy of the Power of Attorney to this form when you return it together with an original certified copy of the registered holder's identity document.
Trusts:	The form must be signed by the authorised trustee. If you have not already done so, please attach an original certified copy of the Trustee Resolution/Power of Attorney authorising you to act on behalf of the trust, together with original certified copies of the Letters of Authority issued by the Master of the High Court and the Trust Deed.
Companies/Closed Corporations/ Funds:	Any authorised company official/member may sign on behalf of the company/closed corporation/fund. Please indicate the office held when signing the form. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of your authorisation to act on behalf of the company/closed corporation/fund in the form of an original certified copy of the board minute/resolution detailing the authorized signatories including specimen signatures and a company letterhead for noting in our records. In addition, Computershare Investor Services Proprietary Limited requires an original certified copy of the Certificate of Incorporation/CK1 Founding Statement/Constitution.
Minors:	If the shares are registered in the name of a minor, the form must be completed by the natural guardian, stating the capacity in which he/she is signing or in the case of a legal guardian attach an original certified copy of the Letters of Guardianship (if not previously provided). The guardian must attach an original certified copy of his/her identity document together with an original certified copy of the birth certificate of the minor.
Deceased shareholders:	This form must be signed by the Executor/s of the Deceased Estate. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of the Letters of Executorship together with an original certified copy of the Executor's identity document.
Shareholder under Curatorship:	The form must be signed by the Curator Bonis appointed by the Master of the High Court. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of the Letters of Curatorship together with an original certified copy of the Curator's identity document.
Shareholder under Liquidation:	The form must be signed by the liquidator appointed by the Master of the High Court. If you have not already done so, please provide Computershare Investor Services Proprietary Limited with an original certified copy of your Letter of Appointment together with an original certified copy of the shareholder's identity document.

**FORM C:  
FOR COMPLETION BY CERTIFICATED SHAREHOLDERS TO INDICATE HOW TO RECEIVE THE NEW  
DATATEC SHARES ON THE JSE**

1. Please tick this box if you have an account with a broker or CSDP and wish such account to be credited with the Datatec share election – entitlement shares, and insert the details of such account below:

Name of account holder:
Name of broker:
Name of CSDP:
Account number of broker:
Account number of CSDP:
Telephone number of broker/CSDP:
SCA number of broker/CSDP:

**Please note:** Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the Datatec Share election entitlement, in which case your share will be held with Computershare Nominees until such time correct information is received.