

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

- The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to the whole of this Circular, including this cover page.
- If you are in any doubt as to what action you should take in relation to this Circular, please consult your CSDP, broker, banker, accountant, attorney or other professional adviser immediately.
- If you have disposed of all your Shares on or before Friday, 30 November 2018, this Circular should be handed to the purchaser of such Shares or to the CSDP, broker or other agent through whom such disposal was effected.
- Datatec Shareholders are referred to pages 2 and 3 of this Circular, which set forth the detailed action required of them in respect of the matters dealt with in this Circular.

Datatec does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of Shares to notify such beneficial owner of the details set out in this Circular.

Nothing in this Circular constitutes (or forms part of) any offer for the sale of, or solicitation of any offer to purchase or subscribe for, any securities of Datatec in any jurisdiction.



**DATATEC LIMITED**

(Registration No. **1994/005004/06**)

Share code: **DTC** ISIN **ZAE000017745**

("Datatec" or the "Company")

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**CIRCULAR TO DATATEC SHAREHOLDERS**

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Regarding

- **obtaining approval from Datatec Shareholders for a general authority for the Company to repurchase up to 5% of the issued Shares from Datatec Shareholders upon such terms and conditions as the Board may from time to time determine, with such approval to be valid until the next annual general meeting of Datatec;**

and incorporating

- **a notice of a General Meeting of Datatec Shareholders; and**
- **a form of proxy (green) (to be completed by Certificated Datatec Shareholders and Dematerialised Datatec Shareholders with "own-name" registration only).**

Date of issue: 11 December 2018

*This Circular is available in English only and copies thereof may be obtained during normal business hours from the registered office of Datatec at the address set out in the "Corporate Information and Advisers" section of this Circular. The Circular will also be available on the Datatec website ([www.datatec.com](http://www.datatec.com)) or ([www.datatec.co.za](http://www.datatec.co.za)) as from the date of posting hereof until the date of the General Meeting.*

**Sponsor**



Traditional values. Innovative ideas.

**Legal Advisors**



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## **DISCLAIMERS AND FORWARD-LOOKING STATEMENTS**

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### **GENERAL**

This Circular is for information purposes only and does not constitute or form part of an offer to sell or the solicitation of an offer to buy or subscribe for any securities of the Company. The securities referred to herein have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to registration under, or an exemption from the registration requirements of, the Securities Act. There will be no public offering of securities in the United States or any other jurisdiction.

None of the securities noted herein have been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the transactions noted herein, or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

### **CERTAIN FORWARD-LOOKING STATEMENTS**

This Circular contains statements about Datatec that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the information, communication and technology industry; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Datatec cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Datatec operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, all of which, although Datatec may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Datatec, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Datatec Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Datatec, or other matters to which such forward-looking statements relate, not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Datatec has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law. Any forward-looking statements have not been reviewed nor reported on by the external auditors.

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## CORPORATE INFORMATION AND ADVISERS

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### ***Datatec Registered Address***

Datatec Limited  
(Registration number 1994/005004/06)  
Ground Floor, Sandown Chambers  
Sandown Village  
16 Maude Street  
Sandown, 2196  
South Africa  
(PO Box 76226, Wendywood, 2144)

Place of incorporation: South Africa

Date of incorporation: 11 July 1994

### ***Executive Directors***

Jens Peter Montanana (*Chief Executive Officer*)  
Ivan Philip Dittrich (*Chief Financial Officer*)

### ***Independent Non-executive Chairman***

Stephen James Davidson

### ***Independent Non-executive Directors***

Maya Makanjee  
John Francis McCartney  
Mfundiso Johnson Ntabankulu Njeke  
Ekta Singh-Bushell

### ***Legal Advisors***

Bowman Gilfillan Inc.  
11 Alice Lane  
Sandton, 2196  
South Africa  
(PO Box 785812, Sandton, 2146)

### ***Sponsor***

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
South Africa  
(PO Box 786273, Sandton, 2146)

### ***Company Secretary***

Datatec Management Services Proprietary Limited  
(Registration number 1996/012776/07)  
Ground Floor, Sandown Chambers  
Sandown Village  
16 Maude Street  
Sandown, 2196  
South Africa  
(PO Box 76226, Wendywood, 2144)

### ***Transfer Secretaries***

Computershare Investor Services Proprietary Limited  
1st Floor, Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196  
South Africa  
(PO Box 61051, Marshalltown, 2107)

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## **ACTION REQUIRED BY DATATEC SHAREHOLDERS**

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The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary intention).

**Datatec Shareholders are requested to take note of the following information regarding the actions required by them in connection with this Circular.**

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant, or other professional advisor immediately.

If you have disposed of all your Shares on or before Friday, 30 November 2018, please forward this Circular to the person to whom you disposed of such Shares or to the broker, CSDP, banker or other agent through whom you disposed of such Shares.

### **1. GENERAL MEETING**

A General Meeting of Datatec Shareholders has been convened in terms of the Notice of General Meeting, attached hereto, for purposes of considering and, if deemed fit, passing, with or without modification, the Special Resolution and Ordinary Resolution set out in the Notice of General Meeting. The General Meeting will be held at **the Datatec Head Office, Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa at 12:00 (South African Standard time) on Tuesday, 15 January 2019.**

### **2. DEMATERIALIZED DATATEC SHAREHOLDERS WITHOUT "OWN NAME" REGISTRATION**

If you have Dematerialised your Shares without "own name" registration, then the following actions are relevant to you in connection with the General Meeting:

#### *Voting at the General Meeting*

- If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your voting instructions.
- If your CSDP or broker does not obtain voting instructions from you, they will vote in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.
- You must **NOT** complete the attached form of proxy.

#### *Attendance and representation at the General Meeting*

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the General Meeting in person, or if you wish to send a proxy to represent you at the General Meeting. Your CSDP or broker will issue the necessary letter of representation to you or your proxy to attend the General Meeting.

### **3. DEMATERIALIZED DATATEC SHAREHOLDERS WITH "OWN NAME" REGISTRATION AND CERTIFICATED DATATEC SHAREHOLDERS**

If you have not Dematerialised your Shares or have Dematerialised your Shares with "own name" registration, then the following is relevant to you in connection with the General Meeting:

#### *Voting, attendance and representation at the General Meeting*

- You may attend, speak and vote at the General Meeting in person.
- Alternatively, you may appoint one or more proxies to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. A proxy need not be a Shareholder of the Company. It is requested that, for administrative purposes, the form of proxy be lodged with or posted to The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialist Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za to be received by no later than **12:00 (South African Standard time) on Friday, 11 January 2019.** If you do not lodge or post the form of proxy to reach The Meeting Specialist Proprietary Limited by the relevant time, you will nevertheless be entitled to have the form of proxy lodged immediately prior to the proxy exercising his/her right to attend, speak and vote at the General Meeting with the chairman of the General Meeting.

**Datatec does not accept responsibility and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or broker of a Dematerialised Datatec Shareholder, including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner to notify such beneficial owner of the General Meeting or of the matters set forth in this Circular.**

**4. IDENTIFICATION OF SHAREHOLDERS**

Datatec Shareholders are entitled to attend, speak and vote at the General Meeting. In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate and vote at the General Meeting, either as a Datatec Shareholder, or as a proxy for a Datatec Shareholder, has been reasonably verified. Acceptable forms of identification include a valid South African identity document, valid South African driver's licence or valid passport.

**5. PARTICIPATION IN THE GENERAL MEETING VIA ELECTRONIC MEANS**

In compliance with the provisions of the Companies Act and the MOI, Datatec intends to offer Datatec Shareholders (or a representative or proxy for a Datatec Shareholder) reasonable access through electronic facilities to participate in the General Meeting by means of conference call facilities. Shareholders will be able to listen to the proceedings of the General Meeting and raise questions and are invited to indicate their intention to make use of the facility by making application in writing (including details as to how the Datatec Shareholder or representative can be contacted) to The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialist Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za to be received by them at least 4 Business Days prior to the date of the General Meeting namely before **12:00 (South African Standard time) on Wednesday, 9 January 2019.**

The Meeting Specialist Proprietary Limited will, by way of email, provide by no later than **17:00 on Thursday, 10 January 2019** the relevant details of the conference call to enable interested Datatec Shareholders to participate in the General Meeting. Voting will not be possible *via* the electronic facility and Datatec Shareholders wishing to vote their Shares at the General Meeting will need to be represented at such meeting either in person, by proxy or by letter of representation, as provided for in the Notice of General Meeting.

The Company reserves the right not to provide for electronic participation at the General Meeting in the event that it is not practical to do so, for whatever reason, including an insufficient number of Datatec Shareholders (or their representatives or proxies) choosing to make use of the facility.

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## **IMPORTANT DATES AND TIMES**

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The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this section.

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**2018/2019**

The record date for purposes of receiving the Circular and Notice of General Meeting (being the date on which a Datatec Shareholder must be recorded in the Register in order to receive the Circular and Notice of General Meeting)	<b>Friday, 30 November</b>
Circular posted to Datatec Shareholders on	<b>Tuesday, 11 December</b>
Last day to trade in order to be eligible to attend, speak and vote at the General Meeting	<b>Monday, 31 December</b>
Record date to determine Shareholders eligible to attend, speak and vote at the General Meeting	<b>Friday, 4 January</b>
Last day and time to give notice to participate in the General Meeting electronically by 12:00 on	<b>Wednesday, 9 January</b>
For administrative purposes, Shareholders requested (but not required) to lodge forms of proxy with The Meeting Specialist Proprietary Limited, by 12:00 on	<b>Friday, 11 January</b>
General Meeting of Shareholders at 12:00 on	<b>Tuesday, 15 January</b>
Results of General Meeting released on SENS	<b>Tuesday, 15 January</b>
Results of General Meeting published in the South African press	<b>Wednesday, 16 January</b>

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**Notes:**

1. All dates and times are South African dates and South African standard times.
2. The dates and times may be changed by Datatec. Any change will be published on SENS.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. Shareholders should note that as transactions in the Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 (three) Business Days after such trade. Therefore, Shareholders who acquire Shares after Monday, 31 December 2018 will not be eligible to vote at the General Meeting.
5. If you do not lodge or post the form of proxy to reach The Meeting Specialist Proprietary Limited by the relevant time, you will nevertheless be entitled to have the form of proxy lodged immediately prior to the proxy exercising his/her rights at the General Meeting with the chairperson of the General Meeting.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular and the documents attached hereto, unless the context indicates otherwise:

- the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other genders; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings; and
- all dates and times referred to are South African dates and times, unless otherwise stated.

“Act” or “Companies Act”	means the Companies Act, No. 71 of 2008 as amended;
“Board” or “Directors”	means the board of directors of Datatec as constituted from time to time, which at the date of this Circular is as set out in the “ <i>Corporate Information and Advisers</i> ” section of this Circular; and “Director” shall mean any one of the directors of Datatec, as the context may require;
“Business Days”	means a day other than (i) a Saturday or Sunday, or (ii) a gazetted public holiday in South Africa;
“Certificated Share”	means a Datatec Share represented by a share certificate or other physical document of title, which has not been surrendered for Dematerialisation in terms of the requirements of Strate and which may no longer be traded on the JSE;
“Certificated Datatec Shareholder”	means a Datatec Shareholder who holds Certificated Shares;
“Circular”	means this circular dated Tuesday, 11 December 2018, including the Notice of General Meeting and the form of proxy attached hereto, as applicable;
“Company Secretary”	means the Company Secretary of Datatec from time to time, who as at the date of this Circular is as set out in the “ <i>Corporate Information and Advisers</i> ” section of this Circular;
“CSDP”	means Central Securities Depository Participant: a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both in terms of the central securities depository rules published in terms of the Financial Markets Act, and includes an external participant, where appropriate, as contemplated in the Financial Markets Act;
“Datatec Shareholders” or “Shareholders”	means holders of the Shares from time to time;
“Dematerialise” and “Dematerialisation”	means the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares for the purpose of Strate, as contemplated in the Financial Markets Act;
“Dematerialised Shares”	means Datatec Shares that have been Dematerialised in accordance with the rules of Strate, evidencing ownership of shareholding in electronic format, which Shares may be traded on the JSE;
“Dematerialised Datatec Shareholder”	means a Datatec Shareholder who holds Dematerialised Shares;
“Financial Markets Act”	means the Financial Markets Act, No. 19 of 2012 as amended;
“General Meeting”	means the General Meeting convened in terms of the attached Notice of General Meeting to be held, at the Datatec Head Office, Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa at 12:00 (South African Standard time) on Tuesday, 15 January 2019, in order for Datatec Shareholders to vote on the Special Resolution and Ordinary Resolution set out in the attached Notice of General Meeting;



“General Repurchase”	means the potential general repurchase of Shares by the Company, in terms of a general authority to be granted by Shareholders, subject to the provisions of the Companies Act, the JSE Listings Requirements and the MOI;
“Group”	means Datatec Limited, a public company incorporated in South Africa, and its subsidiaries from time to time;
“JSE”	means JSE Limited, a limited liability public company incorporated under the laws of South Africa under registration number 2005/022939/06 and which is licensed as an exchange in terms of the Financial Markets Act;
“JSE Listings Requirements”	means the listings requirements of the JSE, as amended from time to time;
“Last Practicable Date”	means Friday, 30 November 2018, being the last practicable date on which information contained in this Circular can be updated prior to finalisation of this Circular;
“MOI”	means the memorandum of incorporation of the Company, as in force from time to time;
“Notice of General Meeting”	means the notice of General Meeting attached to this Circular and convening the General Meeting;
“Ordinary Resolution”	means the ordinary resolution set out in the notice of General Meeting attached to and forming part of this Circular;
“R” or “ZAR”	means South African rand, the lawful currency of South Africa;
“Register”	means the register of Certificated Datatec Shareholders maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act on behalf of the Company and the sub-register of Dematerialised Datatec Shareholders maintained by the relevant CSDPs;
“Securities Act”	means the United States Securities Act, 1933;
“SENS”	means the Stock Exchange News Service of the JSE;
“Shares” or “Datatec Shares”	means the ordinary shares of par value ZAR0.01 (one cent) each in the share capital of Datatec;
“South Africa”	means the Republic of South Africa;
“Special Resolution”	means the special resolution set out in the Notice of General Meeting attached to and forming part of this Circular;
“Strate”	means Strate Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number 1998/022242/07 and a registered central securities depository registered in terms of the Financial Markets Act;
“Transfer Secretaries”	means Computershare Investor Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number 2004/003647/07; and
“United States” or “US”	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.



## **DATATEC LIMITED**

(Registration No. **1994/005004/06**)

Share code: **DTC** ISIN **ZAE000017745**

("Datatec" or the "Company")

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# **CIRCULAR TO DATATEC SHAREHOLDERS**

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## **1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR**

The Board intends to return surplus cash to the Shareholders of the Company by way of a general repurchase of the Company's shares. Therefore, the Board wishes to seek a general authority from Shareholders for the General Repurchase, in compliance with the JSE Listings Requirements, by means of this Circular.

The purpose of this Circular therefore, is to:

- provide Shareholders with the necessary information regarding the approval of the general authority to allow Datatec, or a subsidiary or subsidiaries of Datatec, to repurchase the Shares, upon such terms and conditions as the Board may from time to time determine in accordance with the Companies Act, the MOI and the JSE Listings Requirements; and
- convene the General Meeting at which Shareholders can vote on the Special Resolution, as required by paragraph 5.72 of the JSE Listings Requirements, and the Ordinary Resolution required to grant the general authority to Datatec, or a subsidiary or subsidiaries of Datatec, to repurchase up to 5% of the issued Shares.

## **2. TERMS OF THE GENERAL REPURCHASE**

The General Repurchase of Shares by the Company, and/or any subsidiary or subsidiaries of the Company, will be subject to the following:

- approval of the Board in accordance with, *inter alia*, sections 46 and 48 of the Companies Act, including the solvency and liquidity test as set out in section 4 of the Companies Act, and the JSE Listings Requirements;
- approval by Shareholders in terms of the Special Resolution and Ordinary Resolution;
- the general authority shall be valid until the Company's next annual general meeting;
- the Shares shall be repurchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary or subsidiaries of the Company and the counterparty (reported trades are prohibited);
- the General Repurchase of Shares, in the aggregate, in terms of the approval granted in terms of the Notice of General Meeting shall not exceed 5% (five percent) of the Company's issued ordinary share capital as at the date of the General Meeting, and further may not exceed 20% (twenty percent) of the Company's issued ordinary share capital in the aggregate in any one financial year, as at the beginning of the 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 General Repurchase will be subject to South African exchange control regulations and approval at that point in time;
- 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;
- an announcement complying with the JSE Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the Shares in issue as at the time when the general authority was given (the initial number); and (ii) for each 3% in the aggregate of the initial number of the Shares acquired thereafter by the Company and/or its subsidiaries;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary or subsidiaries of the Company;

- in accordance with the JSE Listings Requirements, the Company and the Group will not repurchase Shares during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless the repurchase is done in accordance with the provisions of the JSE Listings Requirements, including, but not limited to, a repurchase programme being in place, where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to any variation) and full details of the programme being disclosed to the JSE in writing prior to the commencement of the prohibited period, as required and the Company having instructed an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- such repurchases will be subject to the applicable provisions of the Companies Act, the MOI and the JSE Listings Requirements.

### 3. SHARE CAPITAL

The authorised and issued share capital of Datatec as at the Last Practicable Date is as follows:

<b>Authorised Share Capital</b>	400 000 000 ordinary par value shares of R0.01 (one cent) each
<b>Issued Share Capital</b>	237 988 988 ordinary par value shares of R0.01 (one cent) each

As at the Last Practicable Date, Datatec held 14 315 Shares in treasury.

The total value of the issued share capital: ZAR 2 379 889.88.

Share premium account: **ZAR 2 937 555 607**

The Shares are listed in South Africa on the securities exchange operated by the JSE. Other than the Shares, no other classes of Datatec securities are listed on any securities exchange.

### 4. MAJOR SHAREHOLDERS

As far as Datatec is aware, as at the Last Practicable Date, the following persons, other than Directors, have a beneficial interest in 5% or more of the Shares in issue:

Name of Shareholder	Number of Shares	Percentage of Shares in issue
PIC (Government Employees Pension Fund and Unemployment Insurance Fund)	56 717 324	23.83%
Old Mutual Group (various funds)	26 056 650	10.95%
<b>Total:</b>	<b>82 773 974</b>	<b>34.78%</b>

### 5. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Group since the unaudited interim financial results in respect of the period ended 31 August 2018.

### 6. ADEQUACY OF CAPITAL

The Board undertakes that it will not implement any repurchase while the authority for the General Repurchase is valid, unless, after considering the effect of the General Repurchase and having regard to the provisions of section 48 of the Companies Act:

- the Company and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of the General Repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the General Repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest Group audited annual financial statements;
- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the General Repurchase;
- the working capital 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

- a resolution by the Board has been passed authorising the General Repurchase and that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company or the Group.

## 7. **OPINION AND RECOMMENDATIONS**

The Directors unanimously recommend that Datatec Shareholders vote in favour of the Special Resolution and the Ordinary Resolution set out in the Notice of General Meeting. Each of the Directors who hold Datatec Shares intend to vote their Datatec Shares in favour of the Special Resolution and the Ordinary Resolution set out in the Notice of General Meeting.

## 8. **VOTING RIGHTS**

All the issued Shares rank *pari passu*.

At the General Meeting, every Shareholder present in person or represented by proxy shall have one vote on a show of hands and, on a poll, shall have that number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

## 9. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are set out in the “*Corporate Information and Advisers*” section of this Circular, individually and collectively accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement in this Circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the JSE Listings Requirements.

## 10. **CONSENTS**

The Legal Advisors and the Sponsor have consented in writing to act in the capacities stated and to their names being stated in this Circular, and have not withdrawn their consent prior to the publication of this Circular.

## 11. **INCORPORATED BY REFERENCE**

Datatec's published audited consolidated annual financial statements for the financial years ended February 2016, 2017 and 2018 and unaudited interim financial statements for the period ended 31 August 2018 are incorporated herein by reference and can be accessed on the Company's website. These financial statements will also be available for inspection from the date of this Circular up to and including Tuesday, 15 January 2019 at the offices of the sponsor to the Company set out on page 1 under “*Corporate Information and Advisers*” and at the offices of the Company in accordance with paragraph 13 of this Circular.

<b>Information incorporated by reference</b>	<b>Website link</b>
Unaudited interim financial statements for the period ended 31 August 2018	<a href="https://www.datatec.com/downloads/Results-and-presentations/2019/fy19-results-booklet.pdf">https://www.datatec.com/downloads/Results-and-presentations/2019/fy19-results-booklet.pdf</a>
Audited financial results of Datatec for the year ended 28 February 2018	<a href="https://www.datatec.com/investors-results-presentations.php">https://www.datatec.com/investors-results-presentations.php</a>
Audited financial results of Datatec for the year ended 28 February 2017	<a href="https://www.datatec.com/investors-results-presentations.php">https://www.datatec.com/investors-results-presentations.php</a>
Audited financial results of Datatec for the year ended 29 February 2016	<a href="https://www.datatec.com/investors-results-presentations.php">https://www.datatec.com/investors-results-presentations.php</a>

## 12. **GENERAL MEETING**

The General Meeting will be held at the Datatec Head Office, Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa at 12:00 (Standard South African time) on Tuesday, 15 January 2019 in order for Datatec Shareholders to consider and, if deemed fit, pass the Special Resolution and Ordinary Resolution set out in the Notice of General Meeting.

Each Certificated Datatec Shareholder and Dematerialised Datatec Shareholder with “own name” registration recorded in the Register on Friday, 4 January 2019 can attend, participate in and vote at the General Meeting in person or give a proxy to someone else (including the chairman of the General Meeting) to represent him/her at the General Meeting by completing the attached Form of Proxy (green).

**13. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection during normal business hours at the office of the Datatec Company Secretary being at the registered office of Datatec, Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa, from the date of this Circular up to and including Tuesday, 15 January 2019:

- a copy of Datatec’s audited annual financial statements for the financial years ended February 2018, 2017 and 2016 and the unaudited interim financial statements for the period ended 31 August 2018;
- a signed copy of this Circular (available in English only);
- the MOI of the Company; and
- the letters of consent referred to in paragraph 10 above.

By order of the Board

**DATATEC LIMITED**

**Simon Paul Morris**  
*For and on behalf of*  
*Datatec Management Services Proprietary Limited*  
*Company Secretary*

11 December 2018



## **DATATEC LIMITED**

(Registration No. **1994/005004/06**)  
Share code: **DTC** ISIN **ZAE000017745**  
("Datatec" or the "Company")

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## **NOTICE OF GENERAL MEETING**

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**All terms defined in the Circular to which this Notice of General Meeting is attached shall bear the same meanings herein.**

Notice is hereby given that a General Meeting of Datatec Shareholders will be held at the Datatec Head Office, Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa, at 12:00 (South African Standard time), on Tuesday, 15 January 2019 to consider and, if deemed fit, pass, with or without amendment, the Special Resolution and Ordinary Resolution set out hereunder in the manner required by the JSE Listings Requirements, the MOI and the Companies Act.

### **RECORD DATES, PROXIES AND VOTING**

#### **Record date**

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 receive the Circular and Notice of General Meeting is Friday, 30 November 2018.

#### **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 General Meeting is Friday, 4 January 2019. Accordingly, the last day to trade for the purposes of being entitled to attend and vote at the General Meeting is Monday, 31 December 2018.

**Certificated Datatec Shareholders and Dematerialised Datatec Shareholders with "own name" registration are entitled to attend and vote at the 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. Forms of proxy should, for administrative purposes only, be forwarded to reach the registered office of the Company or The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialist Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za so as to be received by them by no later than 12:00 (South African Standard time), on Friday, 11 January 2019. Any forms of proxy not lodged by this time must be handed to the Chairperson of the General Meeting prior to the proxy exercising his/her right at the General Meeting.**

Forms of proxy must only be completed by Certificated Datatec Shareholders and Dematerialised Datatec Shareholders with "own name" registration. Every member present in person or by proxy and entitled to vote at the General Meeting of the Company shall, on a show of hands, have one vote only irrespective of the number of Shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company, which the aggregate amount of the nominal value of the Shares held by such member bears to the aggregate amount of the nominal value of all the Shares issued by the Company.

Dematerialised Datatec Shareholders without "own name" registration, who are unable to attend the General Meeting but wish to be represented thereat, should contact their 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 General Meeting, to obtain the necessary authority to do so. Such Shareholders who wish to attend the General Meeting in person must obtain the necessary letter of representation from their CSDP or broker.

Should any Shareholder (or any proxy for a Shareholder) wish to participate in the General Meeting by way of electronic participation, the Shareholder should make application in writing (including details as to how the Shareholder or its representative (including its proxy) can be contacted) to so participate to The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196 or posted to The Meeting Specialist Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za, to be received by them at least 4 (four) Business Days prior to the General Meeting

in order for The Meeting Specialist Proprietary Limited to arrange for the Shareholder (or its representative or proxy) to provide reasonably satisfactory identification to The Meeting Specialist Proprietary Limited for the purpose of section 63(1) of the Act, and for The Meeting Specialist Proprietary Limited to provide the Shareholder (or its representative) with details as to how to access any electronic participation to be provided. The cost of accessing any means of electronic participation provided by the Company will be borne by the Company. It should be noted, however, that voting will not be possible via the electronic facilities and for Shareholders wishing to vote, their Shares will need to be represented at the General Meeting either in person, or by proxy or by letter of representation, as provided for in the notice of General Meeting.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of that person to participate and vote at the General Meeting, either as a Datatec Shareholder, or as a proxy for a Datatec Shareholder, has been reasonably verified before being entitled to attend or participate in the General Meeting. Forms of identification that will be accepted include original and valid South African identity documents, valid South African driver's licenses and valid passports.

### **SPECIAL RESOLUTION NUMBER 1 – GENERAL AUTHORITY TO REPURCHASE SHARES**

“**RESOLVED THAT**, the Board of the Company be hereby authorised, by way of a renewable general authority, to approve the repurchase of its own Shares by the Company, or to approve the purchase of Shares in the Company by any subsidiary or subsidiaries of the Company, upon such terms and conditions as the Board of the Company may from time to time determine in accordance with the Companies Act, the MOI and the JSE Listings Requirements, provided that:

- approval of the Board in accordance with, *inter alia*, sections 46 and 48 of the Companies Act, including the solvency and liquidity test as set out in section 4 of the Companies Act, and the JSE Listings Requirements, is obtained;
- the general authority shall be valid until the Company's next annual general meeting;
- the Shares shall be repurchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary or subsidiaries of the Company and the counterparty (reported trades are prohibited);
- the repurchase by the Company of its own securities in terms of the authority above may not exceed 5% (five percent) of the Company's issued ordinary share capital as at the date of the General Meeting, and further may not exceed 20% (twenty percent) of the Company's issued ordinary share capital in the aggregate in any one financial year, as at the beginning of the 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 General Repurchase will be subject to South African exchange control regulations and approval at that point in time;
- 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;
- an announcement complying with the JSE Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the Shares in issue as at the time when the general authority was given (the initial number); and (ii) for each 3% in the aggregate of the initial number of the Shares acquired thereafter by the Company and/or its subsidiaries;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary or subsidiaries of the Company;
- the Company and the Group will be able to repay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the General Repurchase;
- 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 (twelve) months following 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 Companies Act;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the General Repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the General Repurchase;
- in accordance with the JSE Listings Requirements, the Company the Group will not repurchase Shares during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless the repurchase is done in accordance with the provisions of the JSE Listings Requirements, including, but not limited to, a repurchase programme being in place, where dates and quantities of shares to be traded

during the prohibited period are fixed (not subject to any variation) and full details of the programme being disclosed to the JSE in writing prior to the commencement of the prohibited period, as required and the Company having instructed an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and

- such repurchases will be subject to the applicable provisions of the Companies Act, the MOI and the JSE Listings Requirements.”

#### **Percentage of voting rights required for the adoption of special resolution number 1**

The percentage of voting rights that will be required in terms of the Companies Act for this special resolution number 1 to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution in favour thereof.

#### **Reason for and effect of special resolution number 1**

The reason for and the effect of special resolution number 1 is to grant the Board a general authority to approve the Company's repurchase of its own Shares and to permit a subsidiary of the Company to purchase Shares in the Company.

#### **ORDINARY RESOLUTION NUMBER 1 – AUTHORISING RESOLUTION**

“**RESOLVED THAT**, any of the Directors or the company secretary of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary to implement the resolution set out above.”

#### **Percentage of voting rights required for the adoption of ordinary resolution number 1**

The percentage of voting rights that will be required in terms of the Companies Act for this ordinary resolution number 1 to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution in favour thereof.

#### **DATATEC LIMITED**

**Simon Paul Morris**

*For and on behalf of*

*Datatec Management Services Proprietary Limited*

*Company Secretary*

11 December 2018





**DATATEC LIMITED**

(Registration No. 1994/005004/06)  
Share code: **DTC** ISIN **ZAE000017745**  
("Datatec" or the "Company")

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**FORM OF PROXY**

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**PLEASE NOTE THAT THIS FORM OF PROXY IS ONLY FOR USE BY DATATEC SHAREHOLDERS WHO HAVE NOT DEMATERIALISED THEIR ORDINARY SHARES OR WHO HAVE DEMATERIALISED THEIR ORDINARY SHARES AND REGISTERED THEM WITH "OWN NAME" REGISTRATION AT THE GENERAL MEETING OF DATATEC SHAREHOLDERS TO BE HELD AT THE DATATEC HEAD OFFICE, GROUND FLOOR, SANDOWN CHAMBERS, SANDOWN VILLAGE, 16 MAUDE STREET, SANDOWN, SOUTH AFRICA, AT 12:00 (SOUTH AFRICAN STANDARD TIME) ON TUESDAY, 15 JANUARY 2019.**

I/We

Telephone number:

Cellphone number:

Email:

of (address)

being a member/members of the above mentioned Company, hereby appoint:

or failing him/her,

or failing him/her, the Chairperson of the General Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 12:00 (South African Standard time), on Tuesday, 15 January 2019, and at any adjournment of that meeting.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

Signature

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
<b><i>Special Resolution Number 1 – General Authority to Repurchase Shares</i></b>			
<b><i>Ordinary Resolution 1 – Authorising Resolution</i></b>			

## NOTES TO THE FORM OF PROXY

1. A Datatec Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company.
2. Every Datatec Shareholder present in person or by proxy and entitled to vote at the General Meeting of the Company shall, on a show of hands, have one vote only irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company, which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Datatec Shareholders registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Investor Services Proprietary Limited as their CSDP with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.

Instructions on signing and lodging the form of proxy:

1. A Datatec Shareholder may insert the name of a proxy or the names of two alternative proxies of the Datatec Shareholder's choice in the space/s provided overleaf, with or without deleting "the Chairperson of the General Meeting", but any such deletion must be initialled by the Datatec Shareholder. Should this space be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Datatec Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that Datatec Shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Datatec Shareholder's exercisable votes. A Datatec Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Datatec Shareholder or by his/her proxy.
3. To be valid, the completed forms of proxy should, for administrative purposes only, be lodged with The Meeting Specialist Proprietary Limited, at JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196, South Africa, or posted to The Meeting Specialist Proprietary Limited at PO Box 62043, Marshalltown, 2107, South Africa or emailed to proxy@tmsmeetings.co.za, so as to be received by them not later than **12:00 (South African Standard time), on Friday, 11 January 2019**. Any forms of proxy not lodged by this time must be handed to the Chairperson of the General Meeting immediately prior to the proxy exercising his/her right to vote.
4. Documentary evidence establishing the authority of a person signing this term of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by The Meeting Specialist Proprietary Limited or waived by the Chairperson of the General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

The Chairperson of the General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a Datatec Shareholder wishes to vote.

Dematerialised Datatec Shareholders must inform their CSDP or Broker of their intention to attend the General Meeting and request their CSDP or Broker to issue them with the necessary authorisation to attend or provide their CSDP or broker with their voting instructions should they not wish to attend the General Meeting in person.

In terms of section 58 of the Companies Act 2008 ("the Companies Act"):

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a Shareholders' meeting on behalf of such shareholder;
- a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (a) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (b) delivering a copy of the revocation instrument to the proxy and to the Company; and
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the Memorandum of Incorporation of the Company, or the instrument appointing the proxy, provides otherwise.

The Meeting Specialist Proprietary Limited  
JSE Building  
One Exchange Square  
Gwen Lane  
Sandown, 2196  
(PO Box 62043, Marshalltown, 2107)