

**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") on or before Friday, 28 June 2019, 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")

### **CIRCULAR TO DATATEC ORDINARY SHAREHOLDERS ("THIS CIRCULAR")**

*Regarding:*

**A CASH DIVIDEND OF 100 ZAR CENTS PER DATATEC ORDINARY SHARE PAYABLE TO ORDINARY SHAREHOLDERS ("CASH DIVIDEND") OR AN ELECTION TO RECEIVE FULLY PAID SCRIP DISTRIBUTION SHARES AS AN ALTERNATIVE TO THE CASH DIVIDEND ("SCRIP DISTRIBUTION" or "SCRIP DISTRIBUTION ALTERNATIVE")**

*and including:*

**A FORM OF ELECTION (ONLY FOR USE BY CERTIFICATED SHAREHOLDERS ELECTING THE SCRIP DISTRIBUTION ALTERNATIVE)**

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

**THE BOARD OF DIRECTORS OF DATATEC HAS DECLARED A CASH DIVIDEND OF 100 ZAR CENTS PER DATATEC ORDINARY SHARE. YOU ARE ENTITLED TO RECEIVE THIS CASH DIVIDEND IN PROPORTION TO YOUR ORDINARY SHAREHOLDING IN DATATEC ON THE RECORD DATE, BEING FRIDAY, 26 JULY 2019 ("Record Date"). NO ACTION IS REQUIRED IF YOU WISH TO RECEIVE THE CASH DIVIDEND.**

**HOWEVER, SHOULD YOU SO ELECT, YOU WILL BE ENTITLED TO RECEIVE A SCRIP DISTRIBUTION OF NEW, FULLY PAID DATATEC ORDINARY SHARES IN PROPORTION TO YOUR ORDINARY SHAREHOLDING IN DATATEC ON THE RECORD DATE, BEING FRIDAY, 26 JULY 2019 AND IN ACCORDANCE WITH THE RATIO SET OUT IN THIS CIRCULAR. YOU ARE NOT REQUIRED TO PAY FOR THE DATATEC ORDINARY SHARES TO WHICH YOU ARE ENTITLED IN TERMS OF THE SCRIP DISTRIBUTION ALTERNATIVE.**

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

- **YOU HOLD DEMATERIALIZED ORDINARY SHARES, YOU MUST INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR**
- **YOU HOLD CERTIFICATED ORDINARY 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 12:00 NOON ON FRIDAY, 26 JULY 2019. 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 DEMATERIALIZED SHAREHOLDER, ON MONDAY, 29 JULY 2019, THE CASH DIVIDEND WILL BE PAID TO YOU, SUBJECT TO AND IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THIS CIRCULAR.**

**WEDNESDAY, 3 JULY 2019**

**Sponsor**



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## IMPORTANT DATES AND TIMES

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EVENT	2019
Declaration of Cash Dividend with Scrip Distribution Alternative and posting of Circular announced on the Stock Exchange News Service (“SENS”) on	<b>Wednesday, 3 July</b>
Circular and Form of Election posted on	<b>Wednesday, 3 July</b>
Declaration of Cash Dividend with Scrip Distribution Alternative and posting of Circular published in the press on	<b>Thursday, 4 July</b>
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, 15 July 2019, by 11h00 on	<b>Tuesday, 16 July</b>
Announcement published in the press of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day VWAP ending on Monday, 15 July 2019 on	<b>Wednesday, 17 July</b>
Last day to trade in order to be eligible for the Cash Dividend and the Scrip Distribution Alternative	<b>Tuesday, 23 July</b>
Ordinary Shares trade “ex” the Cash Dividend and the Scrip Distribution Alternative on	<b>Wednesday, 24 July</b>
Listing and trading of maximum possible number of Datatec ordinary Shares on the JSE in terms of the Scrip Distribution Alternative from the commencement of business on	<b>Wednesday, 24 July</b>
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the VWAP of a Datatec ordinary share traded on the JSE on Wednesday, 24 July 2019, discounted by 10%, on	<b>Thursday, 25 July</b>
Last day to elect to receive the Scrip Distribution Alternative instead of the Cash Dividend, Forms of Election to reach the Transfer Secretaries by 12:00 on	<b>Friday, 26 July</b>
<b>Record Date</b> in respect of the Cash Dividend and the Scrip Distribution Alternative	<b>Friday, 26 July</b>
Cash Dividend payments made and Scrip Distribution certificates posted, CSDP/ broker accounts credited/updated, as applicable, on	<b>Monday, 29 July</b>
Announcement relating to the results of the Cash Dividend and the Scrip Distribution Alternative released on SENS on	<b>Monday, 29 July</b>
Announcement relating to the results of the Cash Dividend and the Scrip Distribution Alternative published in the press on	<b>Tuesday, 30 July</b>
JSE listing of Datatec ordinary Shares in respect of the Scrip Distribution Alternative adjusted to reflect the actual number of ordinary Shares issued in terms of the Scrip Distribution Alternative at the commencement of business on or about	<b>Wednesday, 31 July</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 or rematerialised between Wednesday, 24 July 2019 and Friday, 26 July 2019, both days inclusive.



## Datatec Limited

Incorporated in the Republic of South Africa  
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### Directors

#### **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

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## CIRCULAR

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### 1. INTRODUCTION

#### 1.1 The SYNEX earn out

Shareholders are referred to the announcements released on SENS on 6 June 2017 and on 4 September 2017, detailing the terms and completion of the disposal of its Westcon-Comstor business in North America and Latin America and 10% of the remaining part of Westcon to SYNEX Corporation ("**SYNEX Transaction**").

The proceeds of the SYNEX Transaction comprised US\$630 million payable in cash on completion in September 2017 and up to US\$200 million payable as a cash earn-out, subject to Westcon Americas meeting certain agreed gross profit performance targets ("**SYNEX earn out**").

In the Company's announcement on SENS on 29 May 2019, the Board confirmed the outcome of the arbitration to determine the quantum of the SYNEX earn out (US\$14 million) and reiterated its intention to return the SYNEX earn out to Shareholders.

#### 1.2 The distribution to Shareholders

As noted in the announcement released on SENS on Wednesday, 3 July 2019, the Board has declared a Cash Dividend of 100 ZAR cents per ordinary Datatec Share held on the Record Date, being Friday 26 July 2019.

Shareholders will, however, be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec ordinary Shares in proportion to their ordinary shareholding in Datatec on the Record Date, being Friday, 26 July 2019 and in accordance with the ratio set out in this Circular. Shareholders are not required to pay for the Datatec ordinary 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 to receive the Scrip Distribution Alternative, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12:00 on Friday, 26 July 2019; and
- dematerialised Shareholders who have instructed their CSDPs or brokers accordingly and in the manner and time stipulated in their 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 ordinary shareholding will, without any action on their part, be entitled to receive the Cash Dividend in proportion to their ordinary shareholding as at the close of business on the Record Date, being Friday, 26 July 2019.

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 ordinary Shares.

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

## 2. RATIONALE

The Board has previously stated its intention to return the SYNEX earn-out of approximately US\$14 million to Shareholders and has resolved to return the 100 ZAR cents per share to Shareholders by way of the Cash Dividend. The total Cash Dividend is ZAR 214.8 million. At the current exchange rate of 14.3 US\$:ZAR, the total Cash Dividend equates to approximately US\$15 million.

Datatec's current and forecast solvency and liquidity comfortably allows for the payment of the full 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 Cash Dividend in respect of all or part of their shareholding as at the close of business on the Record Date. This provides flexibility to Shareholders in the light of the global nature of the Company's Shareholder base.

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

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

Shareholders will be entitled to receive the Cash Dividend of 100 ZAR cents per ordinary Datatec Share at the close of business on the Record Date, being Friday, 26 July 2019, in proportion to their ordinary 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.

Shareholders will, however, be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec ordinary Shares in proportion to their ordinary shareholding in Datatec on the Record Date, being Friday, 26 July 2019 in respect of all or part of their ordinary shareholding and instead of the 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 ordinary shareholding in Datatec (at the close of business on the Record Date, being Friday, 26 July 2019) in relation to the ratio that 100 ZAR cents bears to the VWAP of a Datatec ordinary share traded on the JSE during the 30-day trading period ending on Monday, 15 July 2019, provided that, where the application of this ratio gives rise to a fraction of an ordinary 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 ordinary Shares at the close of business on the Record Date, being Friday, 26 July 2019, and elects to receive the Scrip Distribution Alternative in respect of all or part of such ordinary Shares, and that the VWAP of Datatec's ordinary Shares traded on the JSE for the 30-day trading period ending Monday, 15 July 2019 is 3 444 ZAR cents per ordinary share.

$$\text{New ordinary share entitlement} = \frac{100 \times 100 \text{ ZAR cents}}{3\,444 \text{ ZAR cents}}$$

= 2.90360 Scrip Distribution shares per 100 ordinary Shares held, subject to the rounding principles described in paragraph 3.2 below. This would result in a Shareholder with 100 Datatec ordinary Shares receiving a new ordinary share entitlement of 2 Scrip Distribution Shares and a cash payment for the fraction, in terms of paragraph 3.2 below.

The Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Distribution (which will equal the VWAP of Datatec's ordinary Shares traded on the JSE for the 30-day trading day period ending on Monday, 15 July 2019) will be settled by way of 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 ordinary Shares then in issue.

The Company's total number of issued ordinary Shares at the date of this Circular is 214 800 000 (of these issued ordinary Shares, the Company holds 650 000 ordinary Shares in treasury for use in settling the Company's employee share-based remuneration plans). 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 6 218 060, 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 R214 149 986 being capitalised out of the Company's distributable retained profits.

If all Shareholders were to elect to receive the Cash Dividend the maximum gross cash dividend payable by the Company would be R214 150 000.

### 3.2 Fractions

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

The applicable cash payment will be determined with reference to the VWAP of an ordinary Datatec Share traded on the JSE on Wednesday, 24 July 2019, (being the day on which a Datatec ordinary Share begins trading 'ex' the entitlement to receive the Cash Dividend or the Scrip Distribution Alternative), discounted by 10%. For illustrative purposes, this Circular assumes the VWAP of a Datatec ordinary Share traded on the JSE on Wednesday, 24 July 2019 to be 3 444 ZAR cents. The basis for the applicable cash payment would therefore be 3100 ZAR cents (3 444 ZAR cents discounted by 10%).

The basis for the applicable cash payment will be announced on SENS on Thursday, 25 July 2019, by 11:00.

Example of fractional entitlement:

This example assumes that a Shareholder holds 100 Datatec ordinary Shares at the close of business on the Record Date (being Friday, 12 July 2019) and elects to receive the Scrip Distribution Alternative in respect of all or part of their shareholding.

New ordinary Share entitlement =  $100 \times 2.90360\%$

= 2 new ordinary Scrip Distribution Shares. The rounding provision described above is then applied and the Shareholder will receive:

2 Scrip Distribution shares in respect of the 100 ordinary Shares held and a cash payment for the fractional entitlement based on the 3100 ZAR cents noted above of  $3\ 100 \times 0.90360 = 2\ 801$  ZAR cents. This fractional entitlement payment will be subject to 20% Dividend Withholding Tax ("DWT"), resulting in a net cash payment of 2 241 ZAR cents, in this example.

### 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 ordinary Shares registered in the name of the nominee companies.

### 3.4 Tax implications

3.4.1 The Cash Dividend and the Scrip Distribution Alternative are 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 Cash Dividend will, unless exempt, be subject to DWT. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 80 ZAR cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement ("DTA") between South Africa and their country of residence; and

3.4.2 The Scrip Distribution Alternative will also be subject to DWT in terms of the Income Tax Act. The liability for the DWT will fall on the Company and not the Shareholders. The rate at which the DWT in respect of the Scrip Distribution Alternative will be payable will depend on the residency of the Shareholder. Where the Scrip Distribution Alternative is paid to South African resident Shareholders, the Scrip Distribution Alternative will be subject



to DWT at a rate of 20%. Where the Scrip Distribution Alternative is paid to non-resident Shareholders, it may be subject to DWT at a rate of less than 20%, depending on the country of residence and applicability of a DTA. The subsequent disposal of Datatec ordinary Shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax (“CGT”) implications. Where any future disposals of ordinary Shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such Shares will be zero 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 the Cash Dividend alternative. 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 CERTIFICATED 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:**

Shareholders who hold certificated ordinary Shares (“**Certificated Shareholders**”) and who wish to receive the Scrip Distribution must complete the attached Form of Election in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, Computershare Investor Services Proprietary Limited, Rosebank Tower, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61763, Marshalltown, 2107) so as to be received no later than 12:00 on Friday, 26 July 2019. Forms of Election received after this date and time will not be accepted. Forms of Election may also be emailed to corporate.events@computershare.co.za. Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Election Forms or owing to Election Forms being forwarded to any other email address other than those provided above. Election Forms 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 Election Forms is received by Computershare Investor Services Proprietary Limited.

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

Shareholders who have dematerialised their ordinary 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 agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Cash Dividend.

Dematerialised Shareholders’ CSDP/broker accounts will be credited and updated on Monday, 29 July 2019, in accordance with any election made.

##### 5.3 **Election in respect of all or part of the Shareholders’ ordinary Shares**

Shareholders may make the election in respect of all or any part of their ordinary Shares held on the Record Date, being Friday, 26 July 2019. If an election is made in respect of part of an ordinary shareholding, the Shareholder concerned will receive the Cash Dividend in respect of the ordinary 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 Cash Dividend. 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.

## 6. **POSTING OF SHARE CERTIFICATES, PAYMENT OF CASH DIVIDEND AND UPDATING/CREDITING OF CSDP/BROKER ACCOUNTS**

Where applicable, ordinary Share certificates will be dispatched to all Certificated Shareholders by registered post at the risk of such Shareholders on or about Monday, 29 July 2019 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries.

According to the election made, Cash Dividend payments will be made by electronic funds transfer into the personal bank accounts of Certificated Shareholders on Monday, 29 July 2019. 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** attached to this Circular and return same to the Transfer Secretaries. **(To combat the increase in cheque fraud, the Company has discontinued payments by cheque and accordingly, payment of any Cash Dividend to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder's banking details.)**

Shareholders' CSDP/broker accounts will be updated on Monday, 29 July 2019.

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

Application has been 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, 24 July 2019. An adjustment of the number of ordinary Shares listed will be made on or about Wednesday, 31 July 2019, in accordance with the actual number of ordinary Shares issued in terms of the Scrip Distribution Alternative.

The right to receive new ordinary 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, which apply to Shareholders who are registered on the South African register, who are either non-residents of, or emigrants from, the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Eswatini):

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

- 8.1.1 any share certificate that may be issued to non-resident Shareholders will be endorsed "non-resident";
- 8.1.2 any new share certificates issued based on emigrant Shareholders ordinary Shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their remaining assets. The election by emigrant Shareholders for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their remaining assets. Such new share certificates will be endorsed "non-resident"; and
- 8.1.3 cash dividend payments paid out of the Company's distributable profits due to non-residents and emigrant Shareholders are freely transferable from South Africa. In respect of all non-residents of the Common Monetary Area (collectively, the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Eswatini) the cash dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries. In respect of all emigrants, the dividend payments will be sent to the Authorised Dealer in foreign exchange controlling their remaining assets.

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

- 8.2.1 any ordinary shares issued to emigrant Shareholders from the Common Monetary Area will be credited to their remaining shares accounts at the CSDP controlling their remaining portfolios. Any ordinary shares issued to a non-resident of the Common Monetary Area will be credited to such non-residents CSDP or broker account and a "non-resident" annotation will appear in the CSDP or broker register; and
- 8.2.2 any cash dividend payments paid out of the Company's distributable profits to non-residents and emigrant Shareholders from the Common Monetary Area are freely transferable and will be credited to the CSDP or broker controlling their portfolios.

9. **EXPERTS' CONSENTS**

The sponsor 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.

This Circular is available in English only. Copies may be inspected at the registered office of the Company at the address set out below.

By order of the Board

**Simon Morris**

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

**Registered office:** *Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, 2196, Johannesburg, South Africa.*

Wednesday, 3 July 2019  
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 CASH DIVIDEND OR, ALTERNATIVELY, A SCRIP DISTRIBUTION**

**Only for use by Shareholders who hold ordinary Shares in Datatec in certificated form and who elect to receive the Scrip Distribution Alternative for all or part of their ordinary shareholding held, or deemed to be held, at the close of business on the Record Date, being Friday, 26 July 2019, failing which the Cash Dividend will, by default, be paid to such Shareholders.**

**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 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 ORDINARY SHAREHOLDING AND**

- YOU HOLD DEMATERIALISED ORDINARY SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR**
- YOU HOLD CERTIFICATED ORDINARY SHARES, YOU MUST COMPLETE THE ATTACHED 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.**

**SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALISED SHAREHOLDER, ON MONDAY, 29 JULY 2019 THE CASH DIVIDEND WILL BE PAID TO YOU IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THE CIRCULAR.**

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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 12:00 ON FRIDAY, 26 JULY 2019. 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  
(PO Box 61763, Marshalltown, 2107)

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

Tel: + 27 11 870 8216 or, if calling within South Africa, 086 1100 634 (available between 08:00 and 16:30 SA time)

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

**Shareholders who do not post their Election Forms should ensure that same are emailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za). Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Election Forms or owing to Election Forms being forwarded to any other facsimile or email address other than those provided above. Election Forms 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 Election Form 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 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 ordinary shareholding held on the Record Date, being Friday 26 July 2019, instead of the Cash Dividend. The number of Scrip Distribution Shares to which I/we am/are entitled will be determined in the ratio that 100 ZAR cents bears to the VWAP of a Datatec ordinary Share traded on the JSE during the 30-day trading period ending on Monday, 15 July 2019;
- acknowledge that this Form of Election is applicable only in respect of ordinary Shares in the Company of which I/we was/were the registered holder(s) at the close business on the Record Date, being Friday, 26 July 2019; and
- acknowledge that I/we am/are not entitled to receive the Cash Dividend, in respect of the number of Datatec ordinary 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, 26 July 2019 in respect of which I/we have elected to receive the Scrip Distribution Alternative.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2019

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
<b>(A)</b>
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:
<b>(A)</b>
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 ordinary Shares deemed to be held on the Record Date, being 26 July 2019, based on your shareholding at the close of business on Friday, 28 June 2019.
<b>(B)</b>	<b>(C)</b>
<p>Anticipated number of ordinary Shares for which the Scrip Distribution is elected –</p> <p>The remaining Cash Dividend and Scrip Distribution entitlement will be calculated by the Transfer Secretaries. The maximum number of ordinary Shares for which the Scrip Distribution can be elected is the number of ordinary Shares still registered in your name in the Company's registers on the Record Date, being Friday, 26 July 2019.</p>	<b>(D)</b>
<p>(If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed <b>not</b> to have elected to receive the Scrip Distribution Alternative based on your entire holding of Datatec ordinary Shares held, or deemed to be held, on the Record Date, being Friday, 26 July 2019. Therefore, certificated Shareholders who wish to receive the Scrip Distribution based on their entire holding of ordinary 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.</p>	
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, 29 July 2019 the 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 ordinary Shares held, or deemed to be held, on the Record Date, being Friday, 26 July 2019.
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 12:00 on Friday, 26 July 2019. If your Form of Election is received by the Transfer Secretaries by later than 12:00 on Friday, 26 July 2019, on Monday, 29 July 2019, the 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 ordinary Shares held, or deemed to be held, on the Record Date, being Friday, 26 July 2019.
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 ordinary 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 Cash Dividend in accordance with the Shareholder's ordinary shareholding in the Company as of the Record Date, being Friday, 26 July 2019. Certificated Shareholders electing to participate in the 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 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.

**FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM**

**FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF DATATEC LIMITED (“DATATEC”) WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS**

Full name of registered shareholder

Identity number of person signing this form

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Your shareholder number (if known)	
E-mail address	
Cell phone number	
Office phone number	
Home phone number	

**REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS**

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

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

**Computershare Investor Services Proprietary Limited** 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
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If you are signing this form in a representative capacity, please indicate which capacity (see over)

<p><b>BANK VERIFICATION</b></p> <p>I/We confirm that the above information about the abovementioned shareholders account at this Bank is correct</p> <p align="center">Signed on behalf of Bank</p> <p><b><i>THIS MUST BE COMPLETED BY YOUR BANK</i></b></p>	<p><b>BANK STAMP HERE</b></p>
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**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 obliged to post you a dividend cheque in the event that we are unable to transfer the funds due to you electronically and any decision to do so will be at the sole and absolute discretion of Datatec on a case by case basis.
- Agree that if Datatec determines that a cheque will be sent to you by post, it will be at your own risk.
- 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 and/or Computershare Investor Services Proprietary Limited 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.**

**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.**

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.