

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

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## **RATIO APPLICABLE TO THE SCRIP DISTRIBUTION**

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Shareholders of Datatec ("Shareholders") are referred to the announcement regarding the Company's audited financial results for the year ended 28 February 2021 and declaration of the cash dividend with a scrip distribution alternative released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on Tuesday, 25 May 2021, in terms of which the board of directors of the Company notified Shareholders that it had resolved to declare a final cash dividend of 100 ZAR cents ("Cash Dividend") per Datatec ordinary share held on the Record Date, being Friday, 16 July 2021 ("Record Date").

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 ("Scrip Distribution" or "Scrip Distribution Alternative"), instead of the Cash Dividend. Shareholders are not required to pay for the Datatec ordinary shares to which they are entitled in terms of an election to receive the Scrip Distribution Alternative.

A circular setting out the terms of the Cash Dividend and the Scrip Distribution Alternative, including a Form of Election to elect to receive the Scrip Distribution Alternative, was distributed to shareholders on Thursday, 3 June 2021 ("Circular").

The number of Scrip Distribution shares to which each Shareholder will become entitled pursuant to the Scrip Distribution Alternative (to the extent that such Shareholders elect to receive the Scrip Distribution shares) will be determined by reference to such Shareholder's ordinary shareholding in Datatec (at the close of business on the Record Date, being Friday, 16 July 2021) in relation to the ratio that 100 ZAR cents bears to the volume weighted average price ("VWAP") of a Datatec ordinary share traded on the JSE during the 30-day trading period ended on Monday, 5 July 2021. The 30-day VWAP at close of business on Monday, 5 July 2021 was 2923.15933 ZAR cents per share. The ratio of Scrip Distribution shares to which each Shareholder will become entitled pursuant to the Scrip Distribution Alternative (to the extent that such Shareholders elect to receive the Scrip Distribution shares) is therefore 3.42096 Scrip Distribution shares for every 100 ordinary shares held on the Record Date.

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 ("Rounding Provision").

The applicable cash payment will be determined with reference to the VWAP of a Datatec ordinary share traded on the JSE on Wednesday, 14 July 2021, (being the day on which an ordinary Datatec share begins trading 'ex' the entitlement to receive the Cash Dividend or the Scrip Distribution Alternative), discounted by 10%. The applicable cash payment will be announced on SENS on Thursday, 15 July 2021. Shareholders are referred to paragraph 3.4.2 of the Circular in which it is stated that the Scrip Distribution Alternative and cash paid for a fraction of a share will not be subject to Dividend Withholding Tax in terms of the Income Tax Act 58 of 1962.

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 and elects to receive the Scrip Distribution shares in respect of all their shareholding.

New ordinary share entitlement =

$100 \times 100 \text{ ZAR cents} / 2923.15933 \text{ ZAR cents}$

= 3.42096 new shares

(then apply the Rounding Provision described above)

= 3 Scrip Distribution shares in respect of the 100 ordinary shares held plus the applicable cash payment to be determined as described above.

Tuesday, 6 July 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)