

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

DISTRIBUTION OF CIRCULAR TO SHAREHOLDERS

Datatec shareholders ("**Shareholders**") are referred to the announcements released on the Stock Exchange News Service of the JSE ("**SENS**") on 6 June 2017 and on 4 September 2017, detailing the terms and completion of the disposal of the Company's Westcon-Comstor business in North America and Latin America and 10% of the remaining part of Westcon to SYNnex Corporation ("**SYNNEX Transaction**").

After implementation of the SYNnex Transaction, Westcon International (the part of the Westcon business retained in the Datatec group, with a minority interest held by SYNnex Corporation) received a working capital loan from Datatec, which Westcon International has now repaid in the amount of approximately US\$70 million.

Shareholders are also referred to the announcement regarding the Company's interim financial results for the 6-month period ended 31 August 2021 and declaration of the special cash dividend with a scrip distribution alternative released on SENS on Thursday, 28 October 2021, in terms of which the board of directors of the Company notified Shareholders that it had resolved to return the aforementioned amount of approximately US\$70 million to Shareholders by declaring a special cash dividend of 512 ZAR cents ("**Special Cash Dividend**") per Datatec ordinary share ("**Datatec Share**") held on the record date, being Friday, 26 November 2021 ("**Record Date**"). Shareholders were advised that they would be entitled to elect to receive a scrip distribution of new, fully paid Datatec Shares in proportion to their ordinary shareholding in Datatec on the Record Date instead of the Special Cash Dividend ("**Scrip Distribution**" or "**Scrip Distribution Alternative**").

Shareholders will be entitled to receive the Special Cash Dividend of 512 ZAR cents per ordinary Datatec Share in respect of their shareholding as at the close of trading on the JSE on the Record Date, being Friday, 26 November 2021, 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 a part of their shareholding. Shareholders will, however, be entitled to elect to receive a Scrip Distribution of new, fully paid Datatec Shares in respect of their shareholding in Datatec as at the Record Date, in respect of all or part of their ordinary shareholding, instead of the Special Cash Dividend. The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (subject to their election thereto) will be determined by reference to such Shareholder's ordinary shareholding in Datatec (at the close of trade on the JSE on the Record Date) in relation to the ratio that 512 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 ending on Monday, 15 November 2021, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, rounding principles will be applied. 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 November 2021, (being the day on which Datatec Shares begin trading "ex" the entitlement to receive the Special Cash Dividend or

the Scrip Distribution Alternative), discounted by 10%. Details of the ratio will be announced on SENS in accordance with the timetable below.

The Company's total number of issued Datatec Shares is 203,178,104 and, as at 29 October 2021, the Company did not have any Datatec Shares held as treasury shares. Datatec's income tax reference number is 9999/493/71/2.

The distribution of the 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 not to have elected the Scrip Distribution 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 Alternative, 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.

The Company has today, 3 November 2021, distributed a circular (including a form of election for certificated shareholders) to shareholders, detailing the terms of the Special Cash Dividend and the Scrip Distribution Alternative ("**Circular**").

The Circular is also available, in English only on, the Company's website www.datatec.com and during normal business hours at the Company's registered office Third Floor, Sandown Chambers, Sandown Village Office Park, 81 Maude Street, Sandown 2031, Johannesburg, South Africa.

The salient dates pertaining to the Special Cash Dividend and the Scrip Dividend Alternative, also contained in the Circular, are set out below:

EVENT	2021
Distribution of Circular announced on SENS on	Wednesday, 3 November
Circular and Form of Election (<i>grey</i>) distributed on	Wednesday, 3 November
Distribution of Circular announcement published in the South African press on	Thursday, 4 November
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day VWAP ending on Monday, 15 November 2021, by 11h00 on	Tuesday, 16 November
Announcement published in the South African press of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day VWAP ending on Monday, 15 November 2021 on	Wednesday, 17 November
Last day to trade in order to be eligible for the Special Cash Dividend and the Scrip Distribution Alternative	Tuesday, 23 November
Shares trade "ex" the Special Cash Dividend and the Scrip Distribution Alternative on	Wednesday, 24 November

Listing and trading of maximum possible number of Datatec Shares on the JSE in terms of the Scrip Distribution Alternative from the commencement of trading on	Wednesday, 24 November
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 November 2021, discounted by 10%, by 11h00 on	Thursday, 25 November
Last day to elect to receive the Scrip Distribution Alternative instead of the Special Cash Dividend, Forms of Election (<i>grey</i>) to reach the transfer secretaries by 12h00 on	Friday, 26 November
Record Date in respect of the Special Cash Dividend and the Scrip Distribution Alternative	Friday, 26 November
Special Cash Dividend payments made, CSDP/broker accounts credited/updated on	Monday, 29 November
Announcement relating to the results of the Special Cash Dividend and the Scrip Distribution Alternative released on SENS on	Monday, 29 November
Announcement relating to the results of the Special Cash Dividend and the Scrip Distribution Alternative published in the South African press on	Tuesday, 30 November
JSE listing of Datatec Shares in respect of the Scrip Distribution Alternative adjusted to reflect the actual number of Datatec Shares issued in terms of the Scrip Distribution Alternative at the commencement of business on or about	Tuesday, 30 November

All times provided in the 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 November 2021 and Friday, 26 November 2021, both days inclusive. If Datatec maintains a certificated register, then the register will be closed from Wednesday, 24 November 2021 and Friday, 26 November 2021, both days inclusive.

Johannesburg
3 November 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Legal Advisors

BOWMANS