

BSI Steel Limited
(Incorporated in the Republic of South Africa)
(Registration number 2001/023164/06)
JSE code: BSS
ISIN: ZAE000125134
("BSI" or "the Company")

ANNOUNCEMENT REGARDING THE POSTING OF A CIRCULAR, A NOTICE OF GENERAL MEETING AND IMPORTANT DATES AND TIMES

1. Introduction

BSI shareholders ("**Shareholders**") are referred to the cautionary announcement published on 14 August 2017 ("**Announcement**") wherein they were advised that the Board had resolved, in principle, to proceed towards seeking a delisting of BSI from the alternative exchange operated by the JSE ("**Delisting**"), and the subsequent renewal of cautionary announcements published on 26 September 2017 and 14 November 2017.

Following the Announcement, and as detailed in the announcement published on 29 November 2017, the Board has resolved that the Independent Board will propose a scheme of arrangement between BSI and its Shareholders ("**Scheme**") in terms of which, if implemented, BSI will re-acquire some of its ordinary shares (each, a "**Share**") (in terms of a validly elected Exit Election or Continuation Election, or in terms of the Default Position, as described below) for a cash consideration of 50 cents per Share. The Delisting and the Scheme will be collectively described as "**the Transaction**" in this Announcement.

In terms of the Scheme, BSI shareholders ("**Shareholders**") will have the option to:

- elect to retain all or some of their Shares post Delisting ("**Continuation Election**"), which retained Shares will consequently not be re-acquired by BSI, and the Shares held by that Shareholder other than the retained shares (if any) shall be re-acquired by BSI pursuant to the Scheme for 50 cents per Share; or
- validly elect to dispose of some or all of their Shares, which Shares being disposed of will be re-acquired by BSI for 50 cents per Share ("**Exit Election**"), and which other Shares held by that Shareholder (if any) shall not be re-acquired by BSI pursuant to the Scheme.

The automatic default position will occur in respect of a Shareholder where that Shareholder has failed to validly make either the Continuation Election or the Exit Election in respect of all or some of the Shares held by it, and in this instance, such Shareholder will be deemed to have made the Exit Election in respect of all their Shares, and all of their Shares will, therefore, be re-acquired by BSI by way of expropriation ("**Default Position**") as contemplated in section 114(1)(c) of the Companies Act, Act 71 of 2008, as amended from time to time.

Consequently, if the Scheme is approved and becomes unconditional, Shareholders wishing to retain some or all of their Shares must elect not to have such Shares re-acquired by BSI pursuant to the Scheme by validly electing the Continuation Election, failing which BSI will automatically re-acquire their Shares in terms of the Default Position (i.e. Shareholders who validly elect the Continuation Election will not have their Shares which they have elected to retain re-acquired in terms of the Scheme or expropriated in terms of the Default Position, and will accordingly remain as Shareholders of BSI following the Transaction).

2. Posting of the circular

Shareholders are advised that a circular ("**Circular**") was posted to Shareholders and other persons who are entitled to receive such document today, 22 December 2017, containing, *inter alia*, details of the Transaction; and a notice convening a general meeting of Shareholders in connection with the Transaction ("**General Meeting**"). The Circular is also available for viewing on the Company's website at www.bsisteel.com.

Where applicable, words and expressions in this announcement shall have the same meaning as assigned to them in the Circular.

Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to:

- the “Action Required By Shareholders” section commencing on page 2 of the Circular;
- paragraph 3 which sets out the terms of the Scheme, which commences on page 17 of the Circular; and
- paragraph 10 of the Circular which deals with the tax implications for Scheme Participants as set on page 26 of the Circular.

3. Notice of general meeting

The General Meeting will be held at 10:00 on Wednesday, 24 January 2018 at the Company’s registered office 46 Eden Park Drive, Murrayfield Park, Mkondeni, Pietermaritzburg, 3201 to consider, and, if deemed fit, to pass, with or without modification, the resolutions necessary to implement the Transaction.

4. Important dates and times

The salient dates and times relating to the Transaction are set out in the timetable below.

	2017/2018
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 15 December 2017
Circular posted to Shareholders and details regarding the General Meeting published on SENS on	Friday, 22 December 2017
Last day to trade Shares in order to be recorded in the Register to attend, participate and vote at the General Meeting (see note 5 below)	Tuesday 16 January 2018
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate and vote at the General Meeting	Friday, 19 January 2018
Shareholders or their proxies who wish to participate in the General Meeting via the teleconference facility will be required to advise the Company thereof by no later than 10:00 on	Monday, 22 January 2018
Last day and time to lodge Forms of Proxy (<i>white</i>) with the Transfer Secretary by 10:00 on (see note 2 below)	Monday, 22 January, 2018
Last date and time for Shareholders to give notice to BSI objecting to the Scheme Resolution in terms of section 164 of the Companies Act by 10:00 on	Wednesday, 24 January 2018
General Meeting to be held at 10:00 on	Wednesday, 24 January 2018
Results of General Meeting published on SENS on or about	Wednesday, 24 January 2018
Scheme opens for elections to be submitted in anticipation of the Scheme becoming operative	Friday, 26 January 2018
Last day for Shareholders who voted against the Scheme to require BSI to seek Court approval for the Scheme in terms of section 115(3) (a) of the Companies Act if the Scheme is approved by Shareholders at the General Meeting but the Scheme Resolution was opposed by at least 15% of the voting rights that were exercised on the Scheme Resolution at the General Meeting (where applicable)	Wednesday, 31 January 2018
Last date for Shareholders who voted against the Scheme to be granted leave by a Court to apply for a review of the Scheme in terms of section 115(3)(b) of	

the Companies Act if the Scheme is approved by Shareholders at the General Meeting (where applicable)	Wednesday, 7 February 2018
Last date for BSI to give notice of adoption of the Scheme approving the Scheme in terms of section 164(4) of the Companies Act to Dissenting Shareholders in accordance with section 164 of the Companies Act on	Wednesday, 7 February 2018
Expected finalisation announcement with regard to the Scheme published on SENS (assuming no Shareholder exercises their right in terms of Section 115(3)(a) or Section 115(3)(b) of the Companies Act) on or about	Tuesday, 13 February 2018
Last day to trade in Shares in order to participate in the Scheme	Tuesday, 20 February 2018
Expected suspension of listing of Shares at the commencement of trade on the exchange operated by the JSE on	Wednesday, 21 February 2018
Scheme Consideration Record Date, being a date by which a Shareholder must be recorded as such in the Register in order for Shareholders to make the Continuation Election and/or the Exit Election in respect of some or all of their Shares and date on which Forms of Election (<i>blue</i>) must be received by 12:00 on	Friday, 23 February 2018
Expected Operative Date	Monday, 26 February 2018
Scheme Consideration Payment Date, being the expected date for the settling of the Scheme Consideration on or about	Monday, 26 February 2018
Date for the termination of listing of the Shares in terms of the Scheme at commencement of trade on the JSE	Tuesday, 27 February 2018

Notes:

1. The above dates and times may be amended by BSI (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain Shareholder and regulatory approvals will be obtained and that no Court approval or review of the Scheme Resolution will be required. Any change in the dates and times will be published on SENS.
2. A Form of Proxy (*white*) not lodged with the Transfer Secretary may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.
3. If the General Meeting is adjourned or postponed, a Form of Proxy (*white*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. If the General Meeting is adjourned or postponed then Forms of Proxy (*white*) that have not yet been submitted should be lodged with the Transfer Secretary by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.
5. Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 16 January 2018, will not be eligible to attend, participate and vote at the General Meeting.
6. All dates and times quoted in this document are South African dates and times.
7. For purposes of being eligible to attend, participate and vote at the General Meeting, no Dematerialisation or rematerialisation of Shares may take place between Wednesday, 17 January 2018 and Friday, 19 January 2018 both days inclusive.
8. If the Scheme Resolution is approved by an insufficient number of Shareholders at the General Meeting so that a Shareholder may require BSI to obtain court approval regarding the Scheme Resolution as contemplated in section 115(3)(a) of the Companies Act, and if a Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
9. If any Shareholder who votes against the Scheme Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
10. For the purpose of being eligible to participate in the Scheme, no Dematerialisation or rematerialisation of Shares may take place from Wednesday, 21 February 2018.

11 The date of payment of the Scheme Consideration is expected to be Monday, 26 February 2018 in respect of Dematerialised Shareholders and in accordance with paragraph 3.5.4.3 of the Circular in respect of Certificated Shareholders.

Johannesburg
22 December 2017

Corporate Advisor and Designated Advisor
Sasfin Capital (a member of the Sasfin Group)

Legal Advisor
Werksmans Incorporated