



24 October 2016

Dear Shareholder

NOTIFICATION IN TERMS OF SECTION 45 OF THE COMPANIES ACT NO. 71 OF 2008

**RESOLUTION OF THE BOARD OF DIRECTORS OF BSI STEEL LIMITED PASSED ON
21 OCTOBER 2016.**

Section 45 of the Companies Act of 2008 and the special resolution passed by shareholders on 6 September 2016 refer.

BSI Steel Limited has a wholly-owned subsidiary company BSI Steel Exports (Pty) Ltd. The funding of the BSI Steel group is done on a group basis and the subsidiary contributes to the group securities which include cross-company guarantees from the holding company in favour of the subsidiary and visa versa.

Group expenses, sundry purchases, steel purchases, working capital and fixed capital funding is controlled via inter-company loan accounts. All transactions are at arms-length, at market-related prices and are done in the ordinary course of business. The terms of the inter-company loan accounts and guarantees given are fair and reasonable to the holding and subsidiary company.

The Board records that BSI Steel Limited is solvent and liquid and is able to pay its debts in the ordinary course of business for the next 12 months and authorises the financial assistance in the form of group expenses, sundry purchases, steel purchases, working capital, fixed capital funding transactions and guarantees given to BSI Steel Exports (Pty) Ltd in the ordinary course of business up to a value of R 100 million.

S J Hackett
Company Secretary

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Directors: W.L. Battershill (Chairman), C. Parry (CEO), B.M. Khoza (Alt N.M. Anderson), R.G. Lewis, N.G. Payne, K.L. Paxton, E. Vermaak

Company Secretary: S.J. Hackett

BSi Steel Limited Reg. No 2001/023164/06