



26 January 2017

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  
23 JANUARY 2017.**

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 Isilo Steel (Pty) Ltd. The funding of the BSI Steel group is done on a group basis and subsidiaries contribute to the group securities which include cross-company guarantees from the holding company in favour of the subsidiaries 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 Isilo Steel (Pty) Ltd in the ordinary course of business up to a value of R 1.2 billion.

S J Hackett  
Company Secretary

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3201Tel: +27 0 33 846 2222 // Fax: +27 0 33 846 2233 // [www.bsisteel.com](http://www.bsisteel.com)

**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  
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