



14 March 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 2 MARCH 2017.

Introduction:

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

BSi Steel Limited has a number of subsidiary companies namely BSi Steel Africa Limited (and its African and other subsidiaries), Newcolab (Pty) Ltd, Red Chip Investments (Pty) Ltd, BSi Steel Exports (Pty) Ltd, West Dunes Properties 296 (Pty) Ltd, Isilo Steel (Pty) Ltd and associate company Qinisa Steel Solutions (Pty) Ltd. The funding of the BSi Steel group is done on a group basis and the 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, subsidiary and associate companies.

The Board records that BSi Steel Limited and the subsidiaries listed above are solvent and liquid and are able to pay their debts in the ordinary course of business for the next 12 months and authorises the continued group expenses, sundry purchases, steel purchases, working capital, fixed capital funding transactions and guarantees given between the companies in the ordinary course of business until 31 March 2018 up to the values below:

West Dunes Properties 296 (Pty) Ltd, Newcolab (Pty) Ltd, Red Chip Investments (Pty) Ltd and Qinisa Steel Solutions (Pty) Ltd	R 50 million each
BSi Steel Exports (Pty) Ltd	R 100.0 million
BSi Steel Africa Limited (and its African and other subsidiaries)	R 200.0 million (\$ 15.0 Million)
Isilo Steel (Pty) Ltd	R 1.2 billion

Transactions of more than these values and that are not in the ordinary course of business, major capital expenditure and acquisitions will require separate board resolutions.

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