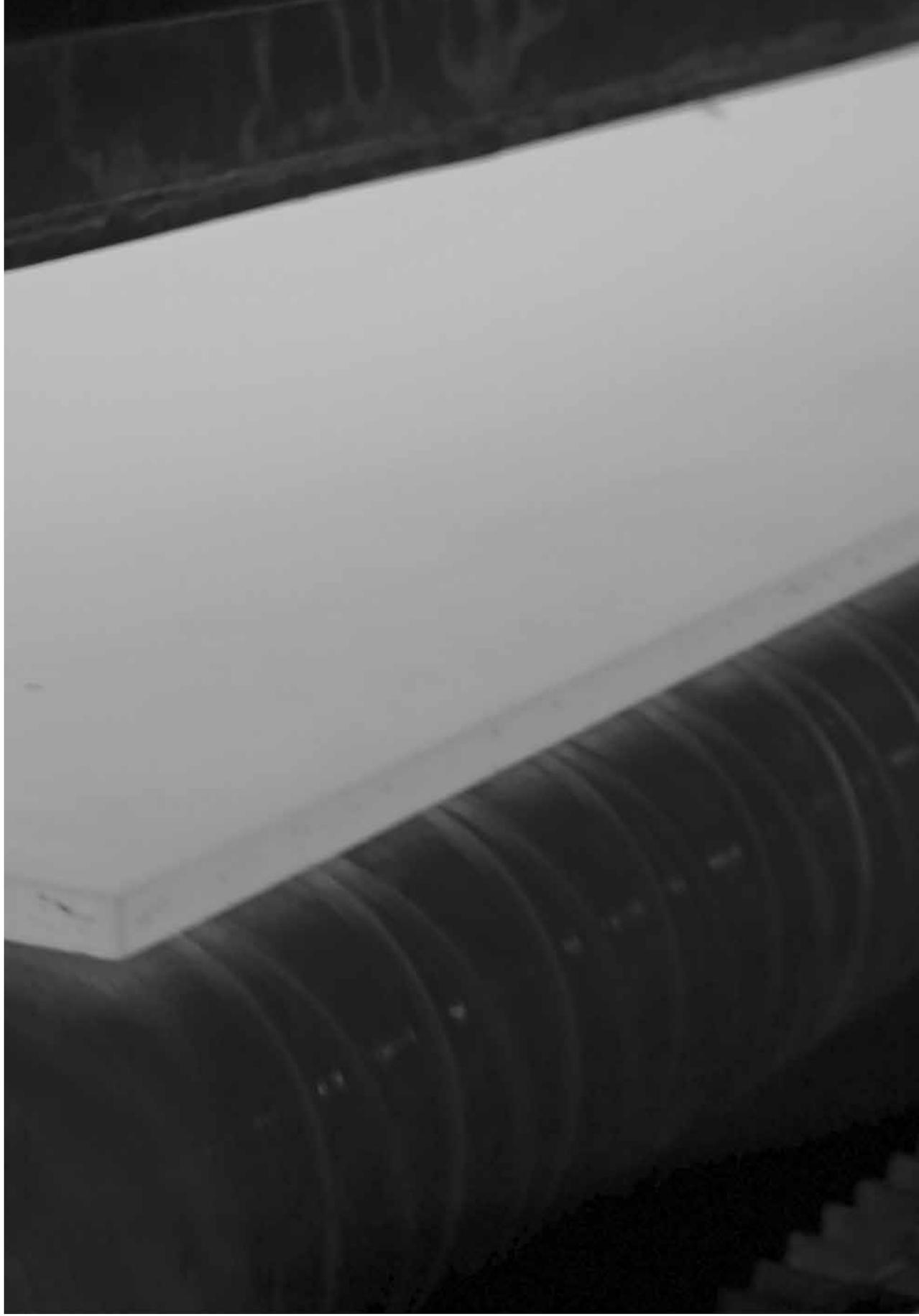


Bisalloy Steel Group Limited

2015 NOTICE OF MEETING



**Bisalloy Steel
Group Limited**



NOTICE OF MEETING

22 October 2015

Dear Shareholders

Attached is the Notice of Annual General Meeting (AGM) to be held on Monday 23 November 2015 at 11:00am.

The AGM will be held in the Press Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW. If you are unable to attend the meeting, you may wish to appoint a proxy by completing and returning the attached Proxy Form.

Copies of the presentations given at the AGM and the results of the meeting will be announced to the ASX and placed on the Company's website at www.bisalloy.com.au. The presentations will be available immediately prior to the AGM with the results available immediately afterwards.

In addition to the usual business to be conducted at the Annual General Meeting, I will take the opportunity to provide an update on our current trading conditions.

I look forward to welcoming you to the Annual General Meeting.

Yours sincerely



Mr Phil Cave, AM
Chairman

BISALLOY STEEL GROUP LIMITED ABN 22 098 674 545

NOTICE OF 2015 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (Meeting) of Shareholders of Bisalloy Steel Group Limited (the Company) will be held at the Press Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW on Monday 23 November 2015, commencing at 11.00 am. (Sydney AEDST).

The business to be considered at the Meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Notes. A Proxy Form accompanies this Notice.

BUSINESS OF THE MEETING

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2015.

Shareholders will have a reasonable opportunity to ask questions and make comments on these reports and on the business and operations of the Company.

All shareholders can view the Financial Report for the year ended 30 June 2015 on the website of the Company (www.bisalloy.com.au).

B. ITEMS FOR APPROVAL

1. Re-election of Director – Richard Grellman

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr. Richard Grellman, being a director of the Company, who retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company.”

2. Re-election of Director – Dario Pong

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr. Dario Pong, being a director of the Company, who retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company.”

3. Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That the Remuneration Report for the financial year ended 30 June 2015 (as set out in the Directors' Report on pages 7 to 13 of the 2015 Annual Report) be adopted.”

Note: The vote on this item is advisory only and does not bind the Company

The Company's key management personnel and their closely related parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a member eligible to vote on the resolution and that proxy specifies how to vote on the resolution.

The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote 'against' or 'abstain' you should mark the relevant box in the attached proxy form.

4. Approval of LTI Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That, for the purposes of section 260C(4) of the Corporations Act and Exception 9 in ASX Listing Rule 7.2, and for all other purposes, the Company approves the “Bisalloy Steel Group Long Term Incentive Plan,” and the issue of securities under the plan as an exception to ASX Listing Rule 7.1, which is constituted and administered in accordance with the Rules of the Bisalloy Steel Group Limited Long Term Incentive Plan.”

NOTICE OF MEETING

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ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that persons who are registered holders of shares of the Company as at 7.00pm (AEDST) on 21 November 2015, will be entitled to attend and vote at the Meeting as a shareholder. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

VOTING BY PROXY

A proxy form accompanies this Notice of Annual General Meeting.

A shareholder entitled to attend and vote may appoint an individual or a body corporate as a proxy. A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

A proxy need not be a shareholder of the Company. Where the Chairman is appointed proxy, he will vote in accordance with the shareholder's directions as specified on the proxy form or, in absence of a direction, in favour of the resolutions contained in the Notice of Meeting.

To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (AEDST) on 21 November 2015. Proxies must be received before that time by one of the following methods:

By post: Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

By facsimile: In Australia 1800 783 447
From outside Australia +61 3 9473 2555

By delivery: Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria

Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

VOTING BY ATTORNEY

A proxy form and the original power of attorney, if any, under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00 am (AEDST) on 21 November 2015.

CORPORATE REPRESENTATIVES

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the *Corporations Act 2001*. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

By order of the Board

Malcolm Mitchell
Company Secretary
22 October 2015

BISALLOY STEEL GROUP LIMITED

2015 ANNUAL GENERAL MEETING EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's 2015 Annual General Meeting.

The purpose of this Explanatory Statement is to provide shareholders with information they may reasonably require to decide how to vote upon the resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

With the exception of Resolution 3 in respect of the Remuneration Report which is an advisory resolution, all of the resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

ORDINARY BUSINESS

Resolution 1: Re-election of director – Richard Grellman

Mr Grellman brings significant accounting and finance skills to the Company, having had over 32 years experience in the accounting profession. He was a partner at KPMG from 1982 to 2000 and a member of KPMG's National Board from 1995 to 1997 and National Executive from 1997 to 2000.

A director of the Company since November 2003, he is also Chairman of the Audit & Risk Committee and a member of the Nominations & Remuneration Committee.

Mr Grellman retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.5, and being eligible, has offered himself for re-election.

The Directors, with Mr Grellman abstaining, recommend that shareholders vote in favour of this resolution.

Resolution 2: Re-election of director – Dario Pong

Mr Pong is currently based in Hong Kong and has lived for extended periods in Shanghai and Beijing, with wide ranging experience in the steel industry in the People's Republic of China. Mr Pong provides valuable experience and insight as Bisalloy develops its Asian growth strategy, including its Chinese Joint Venture.

Mr Pong is a member of the Audit & Risk Committee and of the Nominations & Remuneration Committee.

Mr Pong retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and being eligible, has offered himself for re-election.

The Directors, with Mr Pong abstaining, recommend that shareholders vote in favour of this resolution

The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Richard Grellman and Mr Dario Pong.

Resolution 3: Remuneration Report

Section 250R(2) of the *Corporations Act 2001* requires shareholders to vote on an advisory resolution that the Remuneration Report be adopted.

As set out in the Remuneration report, the Company's remuneration philosophy and practices aim to set board and executive compensation at levels which are fair and reasonable, competitive with relevant market benchmarks, and assist the company to recruit, retain and motivate skilled and talented people across the Company's operations. Wherever possible, the Company's remuneration practices and governance are appropriate for an Australian listed company of a similar size and market capitalisation. These policies and practices are overseen by the board's Remuneration and Nomination Committee.

The Remuneration Report is available on pages 7 to 13 of the Company's 2015 Annual Report which can be viewed on the website (www.bisalloy.com.au).

The Corporations Act restricts members of the key management personnel (KMP) of the Company and their closely related parties from voting in relation to Resolution 3 in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

NOTICE OF MEETING

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The Company is required under the Corporations Act to disregard any votes (in any capacity) on the proposed Resolution 3 by or on behalf of:

- a member of the KMP (details of whose remuneration are included in the remuneration report); and
- a closely related party of those persons (such as close family members or a company the person controls).

However this restriction will not prevent such a person casting a vote on Resolution 3 if the person does so as a proxy appointed in accordance with the directions on the proxy form, that specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

If you intend to appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting becomes your proxy by default, you can direct him how to vote by either marking the boxes for Resolution 3 (for example if you wish to vote for, against or abstain from voting), or, if you do not direct the Chairman of the Meeting how to vote, you will be taken to have expressly authorised the Chairman of the Meeting to vote your undirected votes, (in which case the Chairman of the Meeting will vote in favour of this item of business).

If you intend to appoint another member of the KMP (such as one of the directors) as your proxy, please ensure that you direct them how to vote on Resolution 3 by marking the relevant boxes for this item.

Resolution 4: Approval of the Bisalloy Steel Group Limited Long Term Incentive Plan

The Company seeks Shareholder approval for the renewal of Bisalloy Steel Group Limited Long Term Incentive Plan (the LTIP), which was last approved by the shareholders at the 2012 Annual General Meeting. The LTIP is intended to attract, motivate and retain employees (including executive directors) and reward superior performance by the Company. Under the LTIP, the Board at its discretion may offer employees conditional rights to ordinary shares of the Company (Rights). The rights are granted at no cost to the employees.

The number of granted Rights that will vest will depend upon the extent to which the conditions set forth in the LTIP's terms and conditions are fulfilled, a summary of which is set out in Schedule 1. The full terms and conditions are available on the website of the Company (www.bisalloy.com.au), by selecting "Investors" then "Long Term Incentive Plan".

Relevant Requirements

The Company will issue shares equal to the number of Rights that vest under the LTIP.

Under section 260A(1) of the *Corporations Act 2001*, a company may not financially assist a person to acquire shares in the company unless certain exceptions apply. One such exception is pursuant to section 260C(4)(a), which provides that financial assistance may be given if it is provided under an employee share plan that has been approved by a resolution passed at a general meeting of the company. Shareholder approval for the renewal of the LTIP is therefore sought for the purposes of section 260C(4)(a).

The number of Rights issued under the current LTIP since the date of last approval is 700,000. Of this total, 450,000 have lapsed and none have fully vested. No shares have therefore been issued in respect of vested Rights.

The following Rights were issued to executive Directors since the date of last approval:

Date	Name	Granted	Lapsed	Vested	Unvested
4 January 2013	R. Terpening	500,000	250,000	Nil	250,000

Additionally, in general terms, ASX Listing Rule 7.1 imposes a 15% cap on the number of shares that can be issued by the Company, without approval of shareholders or ASX waiver, in any twelve month period (15% limit). However, the Company is permitted to issue shares (or other securities) in excess of the 15% limit if those shares are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders or an ASX waiver is obtained.

An additional effect of the proposed approval by shareholders of Resolution 4 would be that any Rights granted under the LTIP, within 3 years of the approval, will not count toward the 15% limit. A consequence of approval is that the Rights issues will increase the number of shares from which the 15% limit is calculated.

The Company is required under ASX Listing Rule 14.7 to disregard any votes (in any capacity) on the proposed Resolution 4 by or on behalf of:

- a Director of the company who is eligible to participate in the LTIP; and
- an associate of that Director(s)

However this restriction will not prevent such a person casting a vote on Resolution 4 if the person does so as a proxy appointed in accordance with the directions on the proxy form, that specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

If you intend to appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting becomes your proxy by default, you can direct him how to vote by either marking the boxes for Resolution 4 (for example if you wish to vote for, against or abstain from voting), or, if you do not direct the Chairman of the Meeting how to vote, you will be taken to have expressly authorised the Chairman of the Meeting to vote your undirected votes, (in which case the Chairman of the Meeting will vote in favour of this item of business).

The Directors, with Mr Terpening abstaining, recommend that shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

SCHEDULE 1

SUMMARY OF BISALLOY STEEL GROUP LIMITED LONG TERM INCENTIVE PLAN

The LTIP is a grant of two tranches of performance rights ("Rights") that will vest based on the satisfaction of both performance-based and time-based conditions. Vested Rights will convert to ordinary, fully paid shares on a one-for-one basis. The conversion will be effected by either issuing new shares or acquiring them on market.

The executives eligible to participate in the LTIP are senior executives. The target value of annual LTIP rights granted varies as it is determined by the board annually. The total number of unvested rights that have been granted must not exceed 5% of the issued capital of the Company. The Company expects to grant the rights promptly after the LTIP Rules are approved by shareholders, or in any event no later than 12 months.

Under the terms of the LTIP, a participant receives a specified number of Rights that will, when vested, result in the participant receiving ordinary shares in the Company in the same number as the vested rights at no cost to the participant. These shares will be issued by the board at the expiration of the vesting period. However, under the rules of the plan the Company could acquire the shares on market at the prevailing market price at any time during the performance period and it would be these that are transferred to the executive.

The tranches of Rights granted under the LTIP and the vesting conditions attaching to each are as follows:

Tranche	Percentage of Grant	Vesting Condition	Partial Vesting
Tranche 1 Rights	50%	Achievement of Return on Equity ("ROE") targets set by the Board. The Stretch ROE is determined by increasing the Budget ROE by a factor which the Board considers demanding. These targets are set each financial year during the three-year vesting period. Vesting will be determined each year by the Company's performance against ROE targets then cumulative for the vesting period plus Continuation of employment during the vesting period.	Yes. Pro-rata vesting occurs each year during the 3 year vesting period if the budget ROE is achieved 50% of Tranche 1 Rights vest. Full vesting only occurs if the Stretch ROE is achieved each year.
Tranche 2 Rights	50%	Continuous employment with the Bisalloy Steel Group from the grant date until the third anniversary of the grant date.	No, except in certain special circumstances such as death, redundancy, retirement, change of control or other circumstances considered by the Board in its absolute discretion to be extraordinary. In such circumstances, the Board will determine whether all or some portion of the outstanding rights will vest.

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Other Conditions:

Any unvested rights will lapse, unless the board determines otherwise, if a performance condition in relation to some or all of the participant's rights is not satisfied to any extent, or if the period for satisfaction has expired. There is no retesting period.

Vesting will accelerate where the executive dies, becomes totally and permanently disabled, is made redundant, retires, there is a change in control of the Company or the board otherwise determines.

Where there is a capital reduction or rights issue or similar the Rights will be adjusted accordingly.