UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION STIPULATION OF SETTLEMENT

This Stipulation of Settlement, dated July 5, 2017 (the "Stipulation"), is made and entered into by and among: (i) Lead Plaintiff Policemen's Annuity and Benefit Fund of Chicago (on behalf of itself and each of the Class Members), by and through its counsel of record in the Litigation; and (ii) Gerdau S.A. ("Gerdau" or the "Company"), André Bier Gerdau Johannpeter, Harley Lorentz Scardoelli, André Pires de Oliveira Dias, Osvaldo Burgos Schirmer, Jorge Gerdau Johannpeter, Claudio Johannpeter, Expedito Luz and Renato Gasparetto Jr. (together, "Defendants"), by and through their attorneys of record in the Litigation.[1] Lead Plaintiff and Defendants are referred to herein as the "Settling Parties." The Stipulation is intended to fully, finally and forever resolve, discharge and settle the Released Claims, subject to the approval of the Court and the terms and conditions set forth in this Stipulation.

I. THE LITIGATION

The Litigation is pending before the Honorable Louis L. Stanton in the United States District Court for the Southern District of New York (the "Court"). The initial complaint in this action was filed on May 26, 2016. On August 9, 2016, the Court appointed Lead Plaintiff and Lead Counsel. On October 31, 2016, Lead Plaintiff filed its Consolidated Complaint for Violations of the Federal Securities Laws ("Complaint").

Lead Plaintiff alleges that Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 by, *inter alia*, issuing false and misleading statements and/or failing to disclose that: (i) the Company was engaged in a bribery scheme in collusion with Brazil's Board of Tax Appeals; (ii) Gerdau had defrauded Brazilian tax authorities of approximately 4 billion Brazilian reais (approximately $1.3 billion) in taxes; and (iii) directors and employees of the Company had engaged

[1] All capitalized terms not otherwise defined shall have the meanings ascribed to them in §IV.1 herein.

in bribery, money laundering and influence peddling. Lead Plaintiff alleges that as a result of these material misrepresentations and omissions, Gerdau American Depositary Receipts ("ADRs") traded at artificially inflated prices. Defendants deny each and all of Lead Plaintiff's allegations. Defendants contend that they did not make any false or misleading statements, that they disclosed all information required to be disclosed by the federal securities laws and that they did not make any misstatements or omissions with the requisite intent or knowledge of wrongdoing. Defendants also contend that any losses suffered by Members of the Class were not caused by any false or misleading statements by Defendants and/or caused by intervening events.

On January 17, 2017, Gerdau and the Individual Defendants (with the exception of those Individual Defendants who had not been served with the Complaint) (the "Moving Individual Defendants") filed Motions to Dismiss the Complaint. At the request of Lead Plaintiff, Gerdau and the Moving Individual Defendants, on February 16, 2017, the Court stayed the Litigation in order for mediation to take place.

In an effort to settle the Litigation, Lead Plaintiff, Gerdau and the Moving Individual Defendants engaged the services of the Hon. Layn R. Phillips (Ret.) a nationally recognized mediator. They prepared detailed mediation statements and engaged in a full-day in-person mediation session with Judge Phillips on April 25, 2017. These efforts culminated on May 15, 2017 with the parties agreeing to settle the Litigation for Fifteen Million Dollars ($15,000,000), subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court.

II. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied, and continue to deny, that they have committed any act or omission giving rise to any liability under §§10(b) or 20(a) of the Securities Exchange Act of 1934. Specifically, Defendants expressly have denied, and continue to deny, each and all of the claims

alleged by Lead Plaintiff in the Litigation, including, without limitation, any liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied, and continue to deny, among other allegations, the allegations that Lead Plaintiff or the Class have suffered any damage or that Lead Plaintiff or the Class were harmed by the conduct alleged in the Litigation or that could have been alleged as part of the Litigation. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation.

As set forth below, neither the Settlement nor any of the terms of this Stipulation shall constitute an admission or finding of any fault, liability, wrongdoing or damage whatsoever or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants are entering into this Stipulation solely to eliminate the burden and expense of further litigation. Defendants have determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

III. LEAD PLAINTIFF'S CLAIMS AND THE BENEFITS OF SETTLEMENT

Lead Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports its claims. However, Lead Plaintiff and its counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against Defendants through trial and through appeals. Lead Plaintiff and its counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Lead Plaintiff and its counsel also are mindful of the inherent problems of proof under and possible defenses to the securities law violations asserted in the Litigation, as well as the difficulties in serving certain defendants who have not appeared in the case, conducting witness interviews in

Brazil, in Portuguese and obtaining document discovery from and deposing witnesses in Brazil, which is not a party to the Hague Convention. Lead Plaintiff and its counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class. Based on their evaluation, Lead Plaintiff and its counsel have determined that the Settlement set forth in this Stipulation is in the best interests of Lead Plaintiff and the Class.

IV. TERMS OF THE STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Lead Plaintiff (for itself and the Class Members) and Defendants, by and through their counsel or attorneys of record, that, subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure in consideration of the benefits flowing to the parties from the Settlement, the Litigation and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of this Stipulation, as follows.

1. Definitions

As used in this Stipulation the following terms have the meanings specified below:

1.1 "Authorized Claimant" means any Class Member whose claim for recovery has been allowed pursuant to the terms of this Stipulation.

1.2 "Claims Administrator" means the firm of Gilardi & Co. LLC.

1.3 "Class" means all Persons who purchased or otherwise acquired Gerdau ADRs between April 23, 2012, and May 16, 2016, inclusive. Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or

had a controlling interest. Also excluded from the Class is any Class Member that validly and timely requests exclusion in accordance with the requirements set by the Court.

1.4 "Class Member" or "Member of the Class" means a Person who falls within the definition of the Class as set forth in ¶1.3 above.

1.5 "Class Period" means the period from April 23, 2012, through May 16, 2016, inclusive.

1.6 "Defendants" means Gerdau and the Individual Defendants.

1.7 "Effective Date," or the date upon which this Settlement becomes "effective," means three (3) business days after the date by which all of the events and conditions specified in ¶8.1 of the Stipulation have been met and have occurred.

1.8 "Escrow Agent" means the law firm of Robbins Geller Rudman & Dowd LLP or its successor(s).

1.9 "Final" means, with respect to any order or Judgment of the Court, that such order or Judgment represents a final and binding determination of all issues within its scope and has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. Without limitation, an order or Judgment becomes final when: (a) either no appeal therefrom has been filed and the time has passed for any notice of appeal to be timely filed therefrom; or (b) an appeal has been filed and either (i) the court of appeals has either affirmed the order or Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (ii) a higher court has granted further appellate review and that court has either affirmed the underlying order or judgment or affirmed the court of appeals' decision affirming the Judgment or dismissing the appeal. For purposes of this

paragraph, an "appeal" shall include any petition for a writ of *certiorari* or other writ that may be filed in connection with approval or disapproval of this Settlement. Any appeal or proceeding seeking subsequent judicial review pertaining solely to attorneys' fees and expenses, the Plan of Allocation, or the procedures for determining Authorized Claimants' recognized claims shall not in any way delay or affect the time set forth above for the Judgment to become Final, or otherwise preclude the Judgment from becoming Final.

1.10 "Individual Defendants" means André Bier Gerdau Johannpeter, Harley Lorentz Scardoelli, André Pires de Oliveira Dias, Osvaldo Burgos Schirmer, Jorge Gerdau Johannpeter, Claudio Johannpeter, Expedito Luz and Renato Gasparetto, Jr.

1.11 "Judgment" means the Order and Final Judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit B.

1.12 "Lead Counsel" means Robbins Geller Rudman & Dowd LLP.

1.13 "Lead Plaintiff" means Policemen's Annuity and Benefit Fund of Chicago.

1.14 "Lead Plaintiff's Counsel" means any attorney or firm who has appeared in the Litigation on behalf of Lead Plaintiff or the Class.

1.15 "Litigation" means the action captioned ***Boland v. Gerdau S.A., et al.***, Civil Action No. 1:16-cv-03925-LLS pending in the United States District Court for the Southern District of New York.

1.16 "Net Settlement Fund" means the Settlement Fund less: (i) any Court-awarded attorneys' fees, expenses and interest thereon; (ii) Notice and Administration Expenses; (iii) Taxes and Tax Expenses; and (iv) other Court-approved deductions.

1.17 "Person" means an individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, joint stock company, estate, legal representative, trust,

unincorporated association, government or any political subdivision or agency thereof and any business or legal entity and their spouses, heirs, predecessors, successors, representatives or assignees.

1.18 "Plan of Allocation" means a plan or formula of allocation of the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation and neither Defendants nor their Related Parties shall have any responsibility or liability with respect thereto.

1.19 "Proof of Claim and Release" means the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-2.

1.20 "Related Parties" means each Defendants' direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their immediate families, marital communities, or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively, the members of the Gerdau Johannpeter family, their lineal descendants or any trusts that are exclusively for the benefit of any of the foregoing, provided that any of the foregoing has the right to control such trust.

1.21 "Released Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to both: (i) the purchase or acquisition of Gerdau ADRs during the Class Period, and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were or could have been alleged by Lead Plaintiff or any Class Member in the Litigation. "Released Claims" does not include claims to enforce the Settlement. "Released Claims" includes "Unknown Claims" as defined in ¶1.29 hereof.

1.22 "Released Defendants' Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, that arise out of or relate in any way to the institution, prosecution or settlement of the claims against Defendants in the Litigation, except for claims relating to the enforcement of the Settlement.

1.23 "Released Persons" means each and all of the Defendants and their Related Parties.

1.24 "Settlement" means the resolution of the Litigation in accordance with the terms and provisions of this Stipulation.

1.25 "Settlement Amount" means fifteen million dollars ($15,000,000.00) in cash to be paid by wire transfer to the Escrow Agent pursuant to ¶3.1 of this Stipulation.

1.26 "Settlement Fund" means the Settlement Amount plus all interest and accretions thereto. Such amount is paid as consideration for the full and complete settlement of all the Released Claims.

1.27 "Settling Parties" means, collectively, Defendants and Lead Plaintiff, on behalf of itself and the Class.

1.28 "Tax" or "Taxes" mean any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority, including, but not limited to, any local, state and federal taxes.

1.29 "Unknown Claims" means any and all Released Claims which Lead Plaintiff, Lead Plaintiff's Counsel or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons and any and all Released Defendants' Claims that the Released Persons do not know or suspect to exist in his, her or its favor at the time of the release of the Lead Plaintiff, Lead Plaintiff's Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment

shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code §1542, which provides:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

The Settling Parties shall expressly waive and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

2. CAFA Notice

2.1 Pursuant to the Class Action Fairness Act, 28 U.S.C. §1715 ("CAFA"), no later than ten (10) calendar days after this Stipulation is filed with the Court, Gerdau, at its own costs, shall serve or cause to be served proper notice of the proposed Settlement upon those who are entitled to notice pursuant to CAFA.

3. The Settlement

a. The Settlement Amount

3.1 In full settlement of the claims asserted in the Litigation against Defendants and in consideration of the releases specified in ¶5 herein, Gerdau shall cause the Settlement Amount to be deposited into an interest-bearing escrow account ("Escrow Account") controlled by Lead Counsel serving as Escrow Agent on or before ten (10) business days after the entry of the Preliminary Approval Order, as defined in ¶4.1 herein.

3.2 If the entire Settlement Amount is not timely deposited into the Escrow Account, Lead Counsel may terminate the Settlement but only if: (i) Lead Counsel has notified Defendants' counsel in writing of Lead Counsel's intention to terminate the Settlement; and (ii) the entire Settlement Amount is not transferred to the Escrow Account within five (5) business days after Lead Counsel has provided such written notice.

3.3 Other than the obligation to pay or cause to be paid the Settlement Amount into the Settlement Fund set forth in ¶3.1 herein, Defendants shall have no obligation to make any other payment into the Settlement Fund pursuant to this Stipulation and shall have no responsibility or liability with respect to the Escrow Account or the monies maintained in the Escrow Account, including, without limitation, any responsibility or liability related to any fees, Taxes, investment decisions, maintenance, supervision or distribution of any portion of the Settlement Amount.

b. The Escrow Agent

3.4 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶3.1 hereof in United States Agency or Treasury Securities or other instruments backed by the full faith & credit of the United States Government or an agency thereof, or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All costs and risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund, and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for the actions of the Escrow Agent.

3.5 The Escrow Agent shall not disburse the Settlement Fund except as provided in this Stipulation, by an order of the Court, or with the written agreement of counsel for Defendants.

3.6 Subject to further order(s) and/or directions as may be made by the Court, or as provided in this Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent or any transaction executed by the Escrow Agent. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for any transaction executed by the Escrow Agent.

3.7 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Stipulation and/or further order(s) of the Court.

3.8 Without further order of the Court, prior to the Effective Date, up to five hundred thousand dollars ($500,000) of the Settlement Fund may be used by Lead Counsel to pay reasonable costs and expenses actually incurred in connection with providing notice of the Settlement to the Class by mail, publication, and other means, locating Class Members, assisting with the submission of claims, processing Proof of Claim and Release forms, administering the Settlement, and paying escrow fees and costs, if any ("Notice and Administration Expenses"). After the Effective Date, to the extent that Notice and Administration Expenses exceed five hundred thousand dollars ($500,000), Lead Counsel may pay such Notice and Administration expenses, only pursuant to order of the Court. The Released Persons shall have no responsibility for or liability whatsoever with respect to the Notice and Administration Expenses, nor shall they have any responsibility or liability whatsoever for any claims with respect thereto. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for any Notice and Administration Expenses.

c. Taxes

3.9 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1. The Settling Parties and the Escrow Agent further agree that the Settlement Fund shall be established pursuant to the Court's subject matter jurisdiction within the meaning of Treas. Reg. §1.468B-1(c)(1). In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶3.9, including the "relation-back election" (as defined in Treas. Reg.

§1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" (as defined in Treas. Reg. §1.468B-2(k)(3)) shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the elections described in ¶3.9(a) hereof) shall be consistent with this ¶3.9 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶3.9(c) hereof.

(c) All (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by the Settlement Fund for any period, after the deposit of the Settlement Amount, during which the Settlement Fund does not qualify as a "qualified settlement fund" for federal or state income tax purposes; and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶3.9 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶3.9) ("Tax Expenses"), shall be paid out of the Settlement Fund; in all events the Released Persons and their counsel shall have no liability or responsibility whatsoever for the Taxes or the Tax

Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)); neither the Released Persons nor their counsel are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Settling Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶3.9.

3.10 This is not a claims-made settlement. As of the Effective Date, Defendants, and/or any other Person funding the Settlement on a Defendant's behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason.

d. Termination of Settlement

3.11 In the event that this Stipulation is not approved or this Stipulation or the Settlement is terminated or canceled, or the Effective Date otherwise fails to occur for any reason, the Settlement Fund less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or due and owing pursuant to ¶¶3.8 and 3.9 hereof in connection with the Settlement provided for herein, shall be refunded pursuant to written instructions from counsel for the Defendants in accordance with ¶8.5 herein.

4. Preliminary Approval Order and Settlement Hearing

4.1 Promptly after execution of this Stipulation, Lead Counsel shall submit this Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the "Preliminary Approval Order"), substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this Stipulation, certification of the Class for settlement purposes only and approval for the mailing of a settlement notice (the "Notice") and publication of a summary notice ("Summary Notice"), substantially in the forms of Exhibits A-1 and A-3 attached hereto. The Notice shall include the general terms of the Settlement set forth in this Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application, as defined in ¶7.1 hereof, and the date of the Settlement Hearing as defined below. Once the Settlement Fund has been distributed pursuant to ¶6 hereof, the Claims Administrator will within five (5) days thereafter take down, deactivate or otherwise delete the domain www.bolandvgerdausa.com.

4.2 Gerdau shall provide to the Claims Administrator, at no cost to Lead Plaintiff or the Class, within five (5) business days of execution of this Stipulation, those transfer records in the possession of the transfer agent that reflect the names and addresses of Persons who purchased or otherwise acquired Gerdau ADRs during the Class Period. Gerdau shall provide such transfer records in electronic searchable form, such as Excel.

4.3 It shall be solely Lead Counsel's responsibility to disseminate the Notice and Summary Notice to the Class in accordance with this Stipulation and as ordered by the Court. Class Members shall have no recourse as to the Released Persons with respect to any claims they may have that arise from any failure of the notice process.

4.4 Lead Counsel shall request that after notice is given, the Court hold a hearing (the "Settlement Hearing") and approve the Settlement of the Litigation as set forth herein. At or after the Settlement Hearing, Lead Counsel also shall request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application.

5. Releases

5.1 Upon the Effective Date, as defined in ¶1.7 hereof, Lead Plaintiff shall, and each of the Class Members and their predecessors, successors, agents, representatives, attorneys, affiliates and the heirs, executors, administrators, successors and assigns of each of them, in their capacity as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Persons, whether or not such Class Member executes and delivers the Proof of Claim and Release or shares in the Net Settlement Fund. Claims to enforce the terms of this Stipulation are not released.

5.2 Any Proof of Claim and Release that is executed by Class Members shall release all Released Claims against the Released Persons and shall be substantially in the form contained in Exhibit A-2 attached hereto.

5.3 Upon the Effective Date, all Class Members and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting the Released Claims against any of the Released Persons.

5.4 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Defendants' Claims against the Lead Plaintiff, each and all of the Class

Members and Lead Plaintiff's Counsel (including Unknown Claims). Claims to enforce the terms of this Stipulation are not released.

6. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund

6.1 The Claims Administrator, subject to such supervision and direction of Lead Counsel and the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Class Members and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

6.2 The Settlement Fund shall be applied as follows:

(a) to pay all Notice and Administration Expenses;

(b) to pay the Taxes and Tax Expenses;

(c) to pay attorneys' fees and expenses of Lead Plaintiff's Counsel (the "Fee and Expense Award"), if and to the extent allowed by the Court; and

(d) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by this Stipulation, the Plan of Allocation, or the Court.

6.3 After the Effective Date, and in accordance with the terms of this Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants subject to and in accordance with the following provisions of this Stipulation.

6.4 Within one hundred-twenty (120) calendar days after the mailing of the Notice or such other time as may be set by the Court, each Class Member shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit A-2 attached hereto, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release.

6.5 Except as otherwise ordered by the Court, all Class Members who fail to timely submit a valid Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to this Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Stipulation, the releases contained herein and the Judgment. Notwithstanding the foregoing, Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby. No Person shall have any claim against Lead Plaintiff, its counsel, the Claims Administrator or any Class Member by reason of the exercise or non-exercise of such discretion.

6.6 Each Proof of Claim and Release shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed.

6.7 Proof of Claim and Release forms that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim and Release in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim and Release submitted. The Claims Administrator, under the supervision of Lead Counsel, shall notify in a timely fashion and in writing all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of ¶6.8 below.

6.8 If any claimant whose timely claim has been rejected in whole or in part for curable deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in ¶6.7 above, or within ten (10) business days if the claim was untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection, along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the claimant's request for review to the Court.

6.9 Each claimant who declines to be excluded from the Class shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim including, but not limited to, all releases provided for herein and in the Judgment and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Class Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim and Release, no discovery shall be allowed on the merits of the Litigation or the Settlement.

6.10 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical, reallocate (which reallocation may occur on multiple occasions) such balance among Authorized Claimants in an equitable and economical fashion. Any ***de minimis*** balance that still remains in the Net Settlement Fund after such reallocation(s) and payments, which is not feasible or economical to reallocate, shall be donated to any appropriate non-sectarian, non-profit

charitable organization(s) serving the public interest selected by Lead Counsel and approved by the Court.

6.11 Defendants and their Related Parties shall have no responsibility for, interest in or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration or calculation of claims, the payment or withholding of Taxes or Tax Expenses or any losses incurred in connection therewith. No Person shall have any claim of any kind against the Defendants, their Related Parties or counsel for Defendants with respect to the matters set forth in ¶¶6.1-6.13 hereof; and the Class Members, Lead Plaintiff and Lead Counsel release the Defendants and their Related Parties from any and all liability and claims arising from or with respect to the administration, investment or distribution of the Settlement Fund.

6.12 No Person shall have any claim against Defendants or their Related Parties, counsel for Defendants, Lead Plaintiff, Lead Plaintiff's Counsel or the Claims Administrator, or any other Person designated by Lead Counsel based on determinations or distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

6.13 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Stipulation or affect the finality of the Court's Judgment approving this Stipulation and the Settlement set forth herein, or any orders entered pursuant to the Stipulation.

7. Lead Plaintiff's Counsel's Attorneys' Fees and Expenses

7.1 Lead Counsel may submit an application or applications (the "Fee and Expense Application") from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) expenses or charges in connection with prosecuting the Litigation; plus (c) any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court. (An application for fees and expenses may include a request for reimbursement of Lead Plaintiff's reasonable costs and expenses pursuant to the Private Securities Litigation Reform Act of 1995.) Lead Counsel reserves the right to make additional applications for fees and expenses incurred.

7.2 Any fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, within three (3) business days after the Court executes the Judgment and an order awarding such fees and expenses, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof. Lead Counsel may thereafter allocate the attorneys' fees among Lead Plaintiff's Counsel, if any, in a manner in which Lead Counsel in good faith believes reflects the contributions of such counsel to the initiation, prosecution and resolution of the Litigation.

7.3 In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or this Stipulation is canceled or terminated for any other reason, and such reversal, modification, cancellation or termination becomes Final and not subject to review and in the event that the Fee and Expense Award has been paid to any extent, then Lead Counsel and such other Lead Plaintiff's Counsel and Lead Plaintiff who have received any portion of the Fee and Expense Award shall, within fifteen (15) business days from receiving notice from the Defendants' counsel or from a court of appropriate jurisdiction,

refund to the Settlement Fund all such fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal, modification, cancellation or termination. Any refunds required pursuant to ¶7.3 shall be the several obligation of Lead Counsel, Lead Plaintiff's Counsel and Lead Plaintiff that received fees or expenses to make appropriate refunds or repayments to the Settlement Fund. Each such Lead Counsel, Lead Plaintiff's Counsel or Lead Plaintiff receiving fees and expenses, as a condition of receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that such Person and its partners, shareholders and/or members are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

7.4 The procedure for and the allowance or disallowance by the Court of any applications by any Lead Plaintiff's Counsel for attorneys' fees and expenses to be paid out of the Settlement Fund is not part of the Settlement set forth in this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this Stipulation and any order or proceeding relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Stipulation or affect or delay the finality of the Judgment approving this Stipulation and the Settlement of the Litigation set forth therein.

7.5 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. With the sole exception of Gerdau's obligation to pay or cause the Settlement Amount to be paid into the Escrow Account as provided for in ¶3.1, Defendants and their Related Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment of attorneys' fees and/or expenses (including Taxes) to Lead Plaintiff's Counsel, or any other counsel or Person who receives payment from the Net Settlement Fund.

7.6 Defendants and their Related Parties shall have no responsibility for the allocation among Lead Plaintiff's Counsel and/or any other Person who may assert some claim thereto of any Fee and Expense Award that the Court may make in the Litigation.

7.7 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses (including Taxes) incurred by or on behalf of any Class Member, whether or not paid from the Escrow Account.

8. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

8.1 The Effective Date of the Settlement shall be conditioned on the occurrence of all of the following events:

(a) execution of this Stipulation and such other documents as may be required to obtain final Court approval of the Stipulation in a form satisfactory to the Settling Parties;

(b) the Court has entered the Preliminary Approval Order, as required by ¶4.1 hereof;

(c) the Settlement Amount has been deposited into the Escrow Account;

(d) Defendants have not exercised their option to terminate the Stipulation pursuant to ¶8.3 hereof;

(e) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit B attached hereto; and

(f) the Judgment has become Final, as defined in ¶1.9 hereof.

8.2 Upon the Effective Date, any and all remaining interest or right of the Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If the conditions specified in ¶8.1 hereof are not met, then the Settlement shall be canceled and terminated subject to

¶¶8.4, 8.5 and 8.6 hereof unless Lead Counsel and counsel for the Defendants mutually agree in writing to proceed with the Settlement.

8.3 Defendants shall have the right (which right must be exercised unanimously) to terminate the Settlement and render it null and void in the event that Class Members who purchased or otherwise acquired more than a certain percentage of Gerdau ADRs subject to this Settlement exclude themselves from the Class, as set forth in a separate agreement (the "Supplemental Agreement") executed between Lead Plaintiff and Defendants, by and through their counsel. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein, to the extent necessary, or as otherwise provided in the Supplemental Agreement), unless and until the Court otherwise directs or a dispute arises between the Settling Parties concerning its interpretation or application. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Settling Parties will seek to have the Supplemental Agreement submitted to the Court *in camera* or filed under seal.

8.4 If, before the Settlement becomes Final, Gerdau files for protection under the Bankruptcy Code, or any similar law, or a trustee, receiver, conservator or other fiduciary is appointed under bankruptcy, or any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money or any portion thereof to the Escrow Agent by Gerdau to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned to Gerdau out of the Escrow Account, and such amount is not promptly placed in the Escrow Account by others, then, at the election of Lead Plaintiff, the Settling Parties shall jointly move the Court to vacate and set aside the Judgment, including the releases pursuant thereto, and the Settlement and this Stipulation shall terminate.

8.5 Unless otherwise ordered by the Court, in the event this Stipulation is not approved or this Stipulation or the Settlement is terminated, or canceled, or the Effective Date otherwise fails to occur for any reason, within fifteen (15) business days after written notification of such event is sent by counsel for the Defendants or Lead Counsel to the Escrow Agent, the Settlement Fund, less Taxes, Tax Expenses and Notice and Administration Expenses which have either been disbursed pursuant to ¶¶3.8 or 3.9 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶3.8 or 3.9 hereof, shall be refunded by the Escrow Agent to the Persons who contributed to the Settlement Fund in proportion to their respective contribution. Such refunds shall be pursuant to written instructions from Defendants' counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund to the same Persons in the same manner as the Settlement Fund described in this ¶8.5. Such payments shall be pursuant to written instructions from Defendants' counsel.

8.6 In the event that this Stipulation is not approved or this Stipulation or the Settlement is terminated, canceled, or the Effective Date otherwise fails to occur for any reason, the Settling Parties shall be restored to their respective positions in the Litigation as of May 15, 2017. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.29, 3.6-3.11, 7.3-7.4, 8.4-8.7, and 9.4 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or any Fee and Expense Award shall operate to

terminate or cancel this Stipulation or constitute grounds for cancellation or termination of this Stipulation.

8.7 If the Effective Date does not occur, or if this Stipulation is terminated pursuant to its terms, neither Lead Plaintiff nor any of its counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶3.8 or 3.9. In addition, any amounts already incurred pursuant to ¶¶3.8 or 3.9 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of this Stipulation prior to the balance being refunded in accordance with ¶¶3.11 and 8.5 hereof.

9. Miscellaneous Provisions

9.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of this Stipulation.

9.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Judgment will contain a finding that, during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated in good faith by the Settling Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in

any public forum regarding the Litigation, including that the Litigation was brought or defended in bad faith or without a reasonable basis.

9.3 Neither this Stipulation nor the Settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of or a basis for (i) the validity of any Released Claim or of any wrongdoing or liability of the Defendants or their respective Related Parties, (ii) personal jurisdiction over any Individual Defendant in the Litigation, or (iii) service of the Complaint on any Individual Defendant, or (b) is or may be deemed to be or may be used as an admission of, evidence of or basis for any fault or omission of any of the Defendants or their respective Related Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Defendants and/or their respective Related Parties may file this Stipulation and/or the Judgment from this action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.4 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation.

9.5 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

9.6 This Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.7 This Stipulation and the Exhibits attached hereto and the Supplemental Agreement constitute the entire agreement among the Settling Parties hereto and no representations, warranties

or inducements have been made to any party concerning this Stipulation or its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each party shall bear its own fees and costs.

9.8 Lead Counsel, on behalf of the Class, is expressly authorized by Lead Plaintiff to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms and also is expressly authorized to enter into any modifications or amendments to this Stipulation on behalf of the Class which it deems appropriate.

9.9 Each counsel or other Person executing this Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

9.10 This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

9.11 All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be deemed duly given (i) when delivered personally to the recipient; (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid) or by email; or (iii) seven (7) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Lead Plaintiff or to Lead Counsel:

ROBBINS GELLER RUDMAN
& DOWD LLP
HENRY ROSEN
ELLEN GUSIKOFF STEWART
SUSANNAH CONN
655 West Broadway, Suite 1900
San Diego, CA 92101

If to Gerdau or to Gerdau's Counsel:

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
JAY B. KASNER
ANDREW R. BEATTY
4 Times Square
New York, NY 10036

If to the Individual Defendants or to the Individual Defendants' Counsel:

KRAMER LEVIN NAFTALIS
& FRANKEL LLP
MICHAEL J. DELL
KAREN S. KENNEDY
JULIANA OLIVEIRA MAGGIO
1177 Avenue of the Americas
New York, NY 10036

9.12 This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

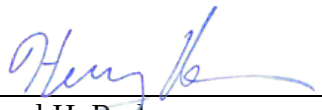
9.13 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Stipulation, and all Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation and matters related to the Settlement.

9.14 Pending approval of the Court of this Stipulation and its Exhibits, all proceedings in this Litigation shall be stayed and all Members of the Class shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

9.15 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of New York without giving effect to its choice-of-law principles.

9.16 The headings to the Sections of this Stipulation are inserted for convenience of reference only, shall not be deemed to be a part of this Stipulation for any purpose and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys as of the date set forth above.



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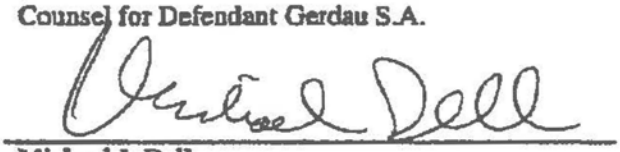

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Counsel for the Individual Defendants

CERTIFICATE OF SERVICE

I, Samuel H. Rudman, hereby certify that on July 6, 2017, I caused a true and correct copy of the attached:

Stipulation of Settlement

to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filings to all counsel registered to receive such notice.

s/ Samuel H. Rudman

SAMUEL H. RUDMAN

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION [PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE EXHIBIT A

WHEREAS, on July 5, 2017, the parties to the above-entitled action (the "Litigation"), Lead Plaintiff Policemen's Annuity and Benefit Fund of Chicago and defendants Gerdau S.A. ("Gerdau"), André Bier Gerdau Johannpeter, Claudio Johannpeter, Osvaldo Burgos Schirmer, Harley Lorentz Scardoelli, Renato Gasparetto Jr., André Pires de Oliveira Dias, Jorge Gerdau Johannpeter and Expedito Luz (the "Defendants," collectively with Lead Plaintiff, the "Parties") entered into the Stipulation of Settlement (the "Stipulation"), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the Exhibits thereto, sets forth the terms and conditions for the proposed settlement of the claims alleged in the complaint on the merits and with prejudice;

WHEREAS, the Court having read and considered the Stipulation and the accompanying documents;

WHEREAS, the Parties to the Stipulation having consented to the entry of this Order;

WHEREAS, unless otherwise specified all capitalized terms used, but not otherwise defined, herein having the meanings defined in the Stipulation;[1]

NOW THEREFORE, IT IS HEREBY ORDERED, this ____ day of _____, 2017, that:

1. The Court hereby preliminarily approves the Stipulation and the Settlement set forth therein as being fair, reasonable and adequate to Class Members (defined in ¶2 below), subject to further consideration at the Settlement Fairness Hearing described in ¶5 below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court preliminarily certifies for purposes of settlement only a

[1] The Exhibits attached to the Stipulation filed with the Court are incorporated herein as though set forth in this Order.

Class defined as all Persons who purchased or otherwise acquired Gerdau American Depositary Receipts ("ADRs") between April 23, 2012, and May 16, 2016, inclusive. Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Class Members who exclude themselves by submitting a timely and valid request for exclusion in accordance with the requirements set forth in the Notice (defined in ¶7 below).

3. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Lead Plaintiff are typical of the claims of the Class it seeks to represent; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff is certified as the class representative.

5. A hearing (the "Settlement Fairness Hearing") pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, 2017, at ___ _.m. ET for the following purposes:

(a) to finally determine whether this Litigation satisfies the applicable prerequisites for class action treatment under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure;

(b) to determine whether the proposed Settlement is fair, reasonable and adequate to Class Members, and should be approved by the Court;

(c) to determine whether the Judgment as provided under the Stipulation should be entered, dismissing the complaint filed herein on the merits and with prejudice, and to determine whether the release by the Class of the Released Claims, as set forth in the Stipulation, should be provided to the Released Persons;

(d) to determine whether the release by the Released Persons of the Released Defendants' Claims, as set forth in the Stipulation, should be provided;

(e) to determine whether the proposed Plan of Allocation of the proceeds of the Settlement is fair and reasonable and should be approved by the Court;

(f) to consider Lead Plaintiff's Counsel's application for an award of attorneys' fees and expenses, including Lead Plaintiff's expenses; and

(g) to rule upon such other matters as the Court may deem appropriate.

6. The Court reserves the right to approve the Settlement, including, if appropriate, with any such modifications as may be agreed to by the Parties without further notice to the Class. The Court further reserves the right to enter its Judgment approving the Settlement and dismissing the complaint on the merits and with prejudice regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses.

7. The Court approves the form, substance and requirements of: the Notice of Proposed Settlement of Class Action (the "Notice"); the Proof of Claim and Release form (the "Proof of

Claim"); and the Summary Notice (the "Summary Notice"), annexed to the Stipulation as Exhibits A-1, A-2 and A-3, respectively, and finds that the form, content, and mailing and distribution of the Notice and publishing of the Summary Notice, substantially in the manner and form set forth in ¶¶9 and 12 of this Order, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons and entities entitled thereto.

8. The Court approves the appointment of Gilardi & Co. LLC as the Claims Administrator.

9. Within twenty-one (21) calendar days of the entry of this Order (the "Notice Date"), the Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed to the Stipulation as Exhibits A-1 and A-2, to be mailed by first-class mail, postage prepaid, to all Class Members who can be identified with reasonable effort. The Court is informed that Gerdau provided or caused Gerdau's transfer agent to provide to Lead Counsel the last known names and addresses of all documented shareholders of record during the Class Period. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased Gerdau ADRs during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within seven (7) business days of their receipt of the Notice, to either forward copies of the Notice and Proof of Claim to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims

Administrator confirming that the mailing was made as directed. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice and Proof of Claim to beneficial owners. Lead Counsel shall, at least seven (7) calendar days prior to the Settlement Fairness Hearing, file with the Court proof of mailing of the Notice and Proof of Claim.

10. The Escrow Agent or its agents are authorized and directed to prepare any tax returns required to be filed on behalf of or in respect of the Settlement Fund, to cause any Taxes due and owing to be paid from the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof as contemplated by the Stipulation without further order of the Court.

11. Lead Counsel shall submit its papers in support of final approval of the Settlement and application for attorneys' fees and expenses, by no later than twenty-eight (28) calendar days prior to the Settlement Fairness Hearing. All reply papers in support of such motions shall be filed and served by no later than seven (7) calendar days of the Settlement Fairness Hearing.

12. The Claims Administrator shall cause the Summary Notice to be published once in the national edition of *The Wall Street Journal* and once over the *Business Wire* within seven (7) calendar days of the Notice Date. Lead Counsel shall, at least seven (7) calendar days prior to the Settlement Fairness Hearing, file with the Court proof of the publication of the Summary Notice.

13. In order to be entitled to participate in the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim, substantially in the form attached to the Stipulation as Exhibit A-2, must be submitted to the Claims Administrator, online at www.bolandvgerdausa.com no later than _____, 2017, or at the Post Office Box indicated in the Notice, postmarked no later than _____, 2017. Such deadline may be further extended by Court order. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice. Lead Counsel may direct the Claims Administrator to accept late claims if they will not materially delay distribution of the Net Settlement Fund, but will not incur any liability for declining to do so.

(b) The Proof of Claim submitted by each Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip or such other documentation as is deemed adequate by the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each Class Member shall submit to the jurisdiction of this Court solely with respect to the claim submitted and shall (subject to effectuation of the Settlement) release all Released Claims as against the Released Persons provided in the Stipulation.

14. Any Member of the Class who does not submit a Proof of Claim form in the manner stated in this Order shall be deemed to have waived his, her or its right to share in the Net Settlement Fund and shall forever be barred from sharing in the Net Settlement Fund. In all other respects, however, any such Member of the Class shall be subject to and bound by all of the terms of the Settlement, including the terms of the Stipulation and the Judgment unless such Member of the Class has submitted a request to be excluded from the Class in the manner required by this Order.

15. Class Members shall be bound by all determinations and judgments in the Litigation, whether favorable or unfavorable, unless such persons request exclusion from the Class in a timely and proper manner, as hereinafter provided. A putative Class Member wishing to make such request shall mail the request to the Claims Administrator by first-class mail postmarked no later than _____, 2017, to the address designated in the Notice. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be excluded from the Class and must be signed by such person. Such persons requesting exclusion are also directed to state: the date(s), price(s) and number(s) of Gerdau ADRs they purchased, acquired and sold during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Putative Class Members requesting exclusion from the Class shall not be entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

16. All Class Members shall be bound by all determinations and judgments in the Litigation concerning the Settlement, including, but not limited to, the release provided for therein, whether favorable or unfavorable to the Class.

17. Objections to the Settlement, the Plan of Allocation, the application by Lead Plaintiff's Counsel for an award of attorneys' fees and expenses, and any supporting papers shall be filed with the Court on or before _____, 2017, and also delivered by hand or first-class mail to Ellen Gusikoff Stewart, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; Jay B. Kasner, Andrew R. Beatty, Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036; and Michael J. Dell, Karen S. Kennedy, Juliana Oliveira Maggio, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036, by that same date. Any such objection must: (a) clearly indicate the objector's name, mailing address, daytime telephone number and e-mail address; (b) state that the objector is objecting to the proposed Settlement, Plan of Allocation, and/or fee and litigation expense application in *Boland v. Gerdau S.A., et al.*, No. 1:16-cv-03925-LLS; (c) specify the reason(s), if any, for the objection, including any legal support for such objection; (d) state the number of Gerdau ADRs owned as of the beginning of trading on April 23, 2012 (the first day of the Class Period); (e) list the date(s), price(s) and number(s) of Gerdau ADRs purchased, acquired and sold during the Class Period; and (f) provide written documentation (whether from the objector's bank, broker or otherwise) of such trading. In order to be considered, an objection also must be signed by the Class Member making the objection. Attendance at the Settlement Fairness Hearing is not necessary. However, any persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation and/or the request by Lead Plaintiff's Counsel for attorneys' fees and expenses, are required to indicate in their written objection their intention to appear at the Settlement Fairness Hearing and to include in their written objections the identity of any witnesses they may call to testify and copies of any exhibits they intend to introduce into evidence at the Settlement Fairness

Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

18. Any Class Member who does not object to the Settlement and/or the Plan of Allocation, and any Class Member who does not object to Lead Plaintiff's Counsel's application for an award of attorneys' fees and expenses in the manner prescribed herein and in the Notice shall be deemed to have waived such objection, shall be deemed a Class Member and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, this Order and the Final Judgment to be entered approving the Settlement, the Plan of Allocation and/or the application by Lead Plaintiff's Counsel for an award of attorneys' fees and expenses.

19. Pending final determination of whether the Settlement should be approved, the Lead Plaintiff, all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action that asserts Released Claims against any Released Person.

20. Any Class Member may enter an appearance in the Litigation, at their own expense, individually or through counsel of his/her/its own choice. If he/she/it does not enter an appearance, he/she/it will be represented by Lead Counsel.

21. All proceedings in the Litigation are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither the Lead Plaintiff nor any Class Member, either directly, representatively or in any other capacity shall commence or prosecute against any of the Released Persons any action or proceeding in any court or tribunal asserting any of the Released Claims.

22. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a Class Member or Lead Plaintiff's Counsel shall have any right to any portion of, or in the distribution of, the Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.

23. All funds held by the Escrow Agent shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to this Order, the Plan of Allocation and/or further orders of the Court.

24. As provided in the Stipulation, prior to the Effective Date, the Escrow Agent may pay the Claims Administrator up to $500,000 out of the Settlement Fund the reasonable fees and costs associated with giving notice to the Class, the review of claims and the administration of the Settlement without further order of the Court. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiff nor Lead Plaintiff's Counsel shall have any obligation to repay to Defendants the reasonable and actual costs of class notice and administrations.

25. If (a) the Settlement is terminated by Defendants pursuant to ¶8.3 of the Stipulation; or (b) any specified condition to the Settlement set forth in the Stipulation is not satisfied and Lead Counsel or Defendants elect to terminate the Settlement as provided in the Stipulation, then, in any such event, the terms of ¶¶8.5 and 8.6 of the Stipulation shall apply, and this Order certifying the Class and the class representatives for purposes of the Settlement shall be null and void, of no further force or effect, without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position in this Litigation as it existed prior to May 15, 2017.

26. The Court retains jurisdiction over the Litigation to consider all further matters arising out of or connected with the Settlement.

DATED: _____

_____
HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION EXHIBIT A-1

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED AMERICAN DEPOSITARY RECEIPTS ("ADRs") OF GERDAU S.A. ("GERDAU" OR THE "COMPANY") DURING THE PERIOD FROM APRIL 23, 2012 THROUGH AND INCLUDING MAY 16, 2016

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("PROOF OF CLAIM") **POSTMARKED (IF MAILED) OR RECEIVED (IF SUBMITTED ONLINE) ON OR BEFORE _____**.

This Notice of Proposed Settlement of Class Action ("Notice") has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the "Court"). The purpose of this Notice is to inform you of: (i) the pendency of this class action (the "Litigation") between Lead Plaintiff Policemen's Annuity and Benefit Fund of Chicago and Defendants Gerdau, Jorge Gerdau Johannpeter, André Bier Gerdau Johannpeter, Claudio Johannpeter, Osvaldo Burgos Schirmer, Expedito Luz, André Pires de Oliveira Dias, Harley Lorentz Scardoelli and Renato Gasparetto Jr. ("Defendants"); (ii) the proposed $15 million settlement reached therein (the "Settlement"); and (iii) the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, Lead Counsel's application for fees, costs, and expenses (which may include Lead Plaintiff's reimbursement for its time and expenses representing the Class). This Notice describes what steps you may take in relation to the Settlement and this class action.[1]

This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation as to any of the Defendants or the merits of the claims or defenses asserted by or against the Defendants. This Notice is solely to advise you of the proposed Settlement of the Litigation and of your rights in connection therewith.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM	The only way to be eligible to receive a payment from the Settlement. **Proofs of Claim must be postmarked (if mailed) or received (if submitted online) on or before _____, 2017.**
EXCLUDE YOURSELF	Get no payment. This is the only option that ***potentially*** allows you to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims being resolved by this Settlement. **Exclusions must be postmarked on or before**

[1] All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated July 5, 2017 (the "Stipulation"), which is available on the website www.bolandvgerdausa.com.

	_____, 2017.
OBJECT	Write to the Court about why you do not like the Settlement, the Plan of Allocation and/or the request for attorneys' fees and expenses. You will still be a Member of the Class. **Objections must be *received* by the Court and counsel for the Settling Parties on or before _____, 2017.**
GO TO THE HEARING ON _____, 2017	Ask to speak in Court about the fairness of the Settlement. **Requests to speak must be *received* by the Court and counsel for the Settling Parties on or before _____, 2017.**
DO NOTHING	Receive no payment. You will, however, still be a Member of the Class, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims being resolved by this Settlement and you will be bound by any judgments or orders entered by the Court in the Litigation.

SUMMARY OF THIS NOTICE

Statement of Class Recovery

Pursuant to the Settlement described herein, a $15 million settlement fund has been established. Based on Lead Plaintiff's estimate of the number of Gerdau ADRs damaged during the Class Period, the average distribution per ADR under the Plan of Allocation is roughly $0.04, before deduction of any taxes on the income earned on the Settlement Amount, notice and administration costs, and allowable attorneys' fees and expenses as determined by the Court. **Class Members should note, however, that these are only estimates.** A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's claims as compared to the total claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than this estimated average amount. *See* Plan of Allocation set forth and discussed at pages ___ below for more information on the calculation of your claim.

Statement of Potential Outcome of Case

The Settling Parties disagree on both liability and damages and do not agree on the amount of damages that would be recoverable if the Class prevailed on each claim alleged. Defendants deny that they are liable to the Class and deny that the Class has suffered any damages. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the price of Gerdau ADRs was allegedly artificially inflated (if at all) during the Class Period; (4) the amount, if any, by which the price of Gerdau ADRs was allegedly artificially inflated (if at all) during the Class Period; (5) the effect of various market forces

on the price of Gerdau ADRs at various times during the Class Period; (6) the extent to which external factors influenced the price of Gerdau ADRs at various times during the Class Period; (7) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the price of Gerdau ADRs at various times during the Class Period; and (8) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the price of Gerdau ADRs at various times during the Class Period.

Statement of Attorneys' Fees and Expenses Sought

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed twenty-five (25%) of the Settlement Amount, plus expenses not to exceed $200,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. Since the Litigation's inception, Lead Plaintiff's Counsel have expended considerable time and effort in the prosecution of this Litigation on a wholly contingent basis and have advanced the expenses of the Litigation in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In addition, as part of that application, Lead Plaintiff may seek reimbursement of its time and expenses in representing the Class in an amount not to exceed $5,000. The requested attorneys' fees and expenses amount to an average cost of approximately $0.01 per allegedly damaged Gerdau ADR. The average cost per damaged ADR will vary depending on the number of acceptable Proofs of Claim submitted.

Further Information

For further information regarding the Litigation, this Notice or to review the Stipulation, please contact the Claims Administrator toll-free at 1-866-700-0419, or visit the website www.bolandvgerdausa.com.

You may also contact a representative of counsel for the Class: Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, www.rgrdlaw.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

Reasons for the Settlement

Lead Plaintiff's principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after contested motions, trial and likely appeals, a process that could last several years into the future. For Defendants, who have denied and continue to deny all allegations of liability, fault or wrongdoing whatsoever in connection with this matter, the principal reason for entering into the Settlement is to eliminate the uncertainty, risk, costs and burdens inherent in any litigation, especially in complex cases such as this Litigation. Defendants have concluded that further conduct of this Litigation could be protracted and distracting.

BASIC INFORMATION

1. Why did I get this notice package?

This Notice was sent to you pursuant to an Order of a U.S. Federal Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired Gerdau ADRs during the period from April 23, 2012, through and including May 16, 2016 ("Class Period").

This Notice explains the class action lawsuit, the Settlement, Class Members' legal rights in connection with the Settlement, what benefits are available, who is eligible for them and how to get them.

The Court in charge of the Litigation is the United States District Court for the Southern District of New York (the "Court"), and the case is known as *Boland v. Gerdau S.A., et al.*, Civil Action No. 1:16-cv-03925-LLS. The case has been assigned to the Honorable Louis L. Stanton. The pension fund representing the Class is the "Lead Plaintiff," and the company and individuals it sued, who have now settled are called the Defendants.

2. What is this lawsuit about?

The initial complaint in this action was filed on May 26, 2016. On August 9, 2016, the Court appointed Lead Plaintiff and Lead Counsel. On October 31, 2016, Lead Plaintiff filed its Consolidated Complaint for Violations of the Federal Securities Laws ("Complaint").

Lead Plaintiff alleges that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, *inter alia*, issuing false and misleading statements and/or failing to disclose that: (i) the Company was engaged in a bribery scheme in collusion with Brazil's Board of Tax Appeals; (ii) Gerdau had defrauded Brazilian tax authorities of approximately 4 billion Brazilian reais in taxes; and (iii) directors and employees of the Company had engaged in bribery, money laundering and influence peddling. Lead Plaintiff alleges that as a result of these material misrepresentations and omissions, Gerdau ADRs traded at artificially inflated prices. Defendants deny Lead Plaintiff's allegations.

On January 17, 2017, Defendants (other than three individuals who had not been served) filed Motions to Dismiss the Complaint. At the Settling Parties' request, on February 16, 2017, the Court stayed the Litigation in order for the parties to attempt a mediation.

In an effort to settle the Litigation, the parties engaged the services of the Hon. Layn R. Phillips (Ret.), a nationally recognized mediator. The parties prepared detailed mediation statements and engaged in a full-day in-person mediation session with Judge Phillips on April 25, 2017. These efforts culminated with the parties agreeing to settle the Litigation on May 15, 2017, for $15,000,000, subject to the negotiation of the terms of a Stipulation of Settlement and approval by the Court.

3. Why is there a settlement?

The Court has not decided in favor of Defendants or in favor of Lead Plaintiff. Instead, both sides agreed to the Settlement to avoid the distraction, costs and risks of further litigation, and Lead Plaintiff agreed to the Settlement in order to ensure that Class Members will receive compensation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

4. How do I know if I am a Member of the Class?

The Court directed that everyone who fits this description is a Class Member: ***all Persons who purchased or otherwise acquired Gerdau ADRs during the period from April 23, 2012, through and including May 16, 2016, inclusive***, except those Persons and entities that are excluded.

Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class is any Class Member who timely and validly excludes themselves therefrom by submitting a request for exclusion in accordance with the requirements set forth in question 11 below.

Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before _____, 2017.

5. What if I am still not sure if l am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-700-0419 or you can fill out and return the Proof of Claim enclosed with this Notice package to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that, in exchange for the release of the Released Claims (defined below) and dismissal of the Litigation, Gerdau has agreed to pay (or cause to be paid) $15 million in cash to be distributed after taxes, fees, and expenses, *pro rata*, to Class Members who send in or submit a valid Proof of Claim pursuant to the Court-approved Plan of Allocation. The Plan of Allocation is described in more detail at the end of this Notice.

7. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including the total amount of claims represented by the valid Proofs of Claim that Class Members send in or submit, compared to the amount of your claim, all as calculated under the Plan of Allocation discussed below.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

8. How can I get a payment?

To be eligible to receive a payment from the Settlement, you must submit a Proof of Claim. A Proof of Claim is enclosed with this Notice or it may be downloaded at www.bolandvgerdausa.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it and **mail or submit it online so that it is postmarked (if mailed) or received (if submitted online) no later than _____, 2017.** The Proof of Claim may be submitted online at www.bolandvgerdausa.com.

9. When would I get my payment?

The Court will hold a Settlement Hearing on _____, 2017, at _____ _.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals. It is always uncertain whether appeals can be resolved, and if so, how long it would take to resolve them. It also takes time for all the Proofs of Claim to be processed. Please be patient.

10. What am I giving up to get a payment or to stay in the Class?

Unless you timely and validly exclude yourself, you will remain a Class Member, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their Related Parties about the Released Claims (as defined below) in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you remain a Class Member, and if the Settlement is approved, you will give up all "Released Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Persons" (as defined below):

- "Released Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to both: (i) the purchase or acquisition of Gerdau ADRs during the Class Period; and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were

or could have been alleged by Lead Plaintiff or any Class Member in the Litigation. "Released Claims" does not include claims to enforce the Settlement. "Released Claims" includes "Unknown Claims" as defined below.

- "Released Defendants' Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments, and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, that arise out of or relate in any way to the institution, prosecution or settlement of the claims against Defendants in the Litigation, except for claims relating to the enforcement of the Settlement.

- "Released Persons" means each and all of the Defendants and their Related Parties.

- "Related Parties" means each Defendants' direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their immediate families, marital communities or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively, the members of the Gerdau Johannpeter family, their lineal descendants or any trusts that are exclusively for the benefit of any of the foregoing, provided that any of the foregoing has the right to control such trust.

- "Unknown Claims" means any and all Released Claims which Lead Plaintiff, Lead Plaintiff's Counsel or any Class Members do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons and any and all Released Defendants' Claims that the Released Persons do not know or suspect to exist in her, her or its favor at the time of the release of the Lead Plaintiff, Lead Plaintiff's Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties shall expressly waive and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to participate in this Settlement, and you want to keep the right to potentially sue the Defendants and the other Released Persons, on your own, about the claims being released by the Settlement, then you must take steps to remove yourself from the Class. This is called excluding yourself – or is sometimes referred to as "opting out."

11. How do I opt out of the Class and the proposed Settlement?

To exclude yourself from the Class and the Settlement, you must send a letter by First-Class Mail stating that you "request exclusion from the Class in the *Boland v. Gerdau S.A. Securities Litigation*." You ***cannot*** exclude yourself by telephone or e-mail. Your letter must include your purchases, acquisitions, and sales of Gerdau ADRs during the Class Period, including the dates, the number of Gerdau ADRs purchased, acquired or sold and price paid or received for each such purchase, acquisition or sale. In addition, you must include your name, address, telephone number, and your signature. You must submit your exclusion request so that it is **postmarked no later than _____, 2017** to:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
EXCLUSIONS
c/o Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, you will not receive any payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue the Defendants and the other Released Persons about the Released Claims in the future.

12. If I do not exclude myself, can I sue the Defendants and the other Released Persons for the same thing later?

No. Unless you exclude yourself, you give up any rights you may potentially have to sue the Defendants and the other Released Persons for any and all Released Claims. If you have a pending lawsuit against the Released Persons speak to your lawyer in that case immediately. You must exclude yourself from the Class in this Litigation to continue your own lawsuit. Remember, the exclusion deadline is _____, 2017.

13. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you should not send in a Proof of Claim to ask for any money. But, if you do exclude yourself, you may have the right to potentially sue or be part of a different lawsuit against the Defendants and the other Released Persons.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court ordered that the law firm of Robbins Geller Rudman & Dowd LLP represents the Class Members, including you. These lawyers are called Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed twenty-five (25%) of the Settlement Amount and for expenses and costs in an amount not to exceed $200,000 in connection with the Litigation, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. Such sums as may be approved by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

16. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can comment or object to the proposed Settlement, the proposed Plan of Allocation, Lead Counsel's fee and expense application and/or Lead Plaintiff's time and expense request. You can write to the Court setting out your comment or objection. The Court will consider your views. To comment or object, you must send a signed letter saying that you wish to comment on or object to the proposed Settlement in the *Boland v. Gerdau S.A. Securities Litigation*. Include your name, mailing address, daytime telephone number, e-mail address and your signature, state the number of Gerdau ADRs owned as of the beginning of trading on April 23, 2012 (the first day of the Class Period), identify the date(s), price(s) and number(s) of Gerdau ADRs you purchased, acquired and sold during the Class Period and state your comments or the reasons why you object to the proposed Settlement, Plan of Allocation and/or fee and expense application. You must also include copies of documents demonstrating such purchase(s), acquisition(s) and/or sale(s). Your comments or objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is ***received*** **no later than _____, 2017:**

COURT

Clerk of the Court
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN U.S. COURTHOUSE
500 Pearl Street
New York, NY 10007

LEAD COUNSEL

ROBBINS GELLER RUDMAN & DOWD LLP
ELLEN GUSIKOFF STEWART
655 West Broadway
Suite 1900
San Diego, CA 92101

DEFENDANTS' COUNSEL

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
JAY B. KASNER
ANDREW R. BEATTY
4 Times Square
New York, NY 10036

KRAMER LEVIN NAFTALIS & FRANKEL LLP
MICHAEL J. DELL
KAREN S. KENNEDY
JULIANA OLIVEIRA MAGGIO
1177 Avenue of the Americas
New York, NY 10036

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only** if you stay in the Class.

Excluding yourself is telling the Court that you do not want to be paid and do not want to release any claims you think you may have against Defendants and their Related Parties. If you exclude yourself, you cannot object to the Settlement because it does not affect you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

18. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at ___ _.m. ET, on _____, 2017, in the Courtroom of the Honorable Louis L. Stanton at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007. At the hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable and adequate. If there are objections, the Court will consider them, even if you do not ask to speak at the hearing. The Court will listen to people who have asked to speak at the hearing. The Court may also issue a ruling on Lead Counsel's application for attorneys' fees and expenses (which request may include an application for reimbursement for Lead Plaintiff's time and expenses in representing the Class in an amount not to exceed $5,000). After the Settlement Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel or the Settlement website www.bolandvgerdausa.com beforehand to be sure that the date and/or time has not changed.

19. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

20. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation or the fee and expense application, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* question 16 above) a statement saying that it is your "Notice of Intention to Appear in the *Boland v. Gerdau S.A. Securities Litigation*." Persons who intend to object to the Settlement, the Plan of Allocation and/or any attorneys' fees and expenses to be awarded to Lead Counsel (including any reimbursement to Lead Plaintiff for its time and expenses representing the Class) and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Your notice of intention to appear must be ***received*** **no later than _____, 2017**, and addressed to the Clerk of Court, Lead Counsel and Defendants' counsel at the addresses listed above in question 16.

You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

21. What happens if I do nothing?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit or be part of any other lawsuit against Defendants and their Related Parties about the Released Claims in this case, ever again.

GETTING MORE INFORMATION

22. How do I get more information?

For even more detailed information concerning the matters involved in this Litigation, you can obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-866-700-0419. Reference is also made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other settlement-related papers filed in the Litigation, which are posted on the Settlement website at www.bolandvgerdausa.com, and may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007, during regular business hours. For a fee, all papers filed in this Litigation are available at www.pacer.gov.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Settlement Amount of $15 million and any interest earned thereon is the "Settlement Fund." The Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to Class Members who submit Proofs of Claim to the Claims Administrator ("Authorized Claimants"). The Plan of Allocation provides that you will be eligible to participate in the distribution of the Net Settlement Fund only if you have an overall net loss on all of your transactions in Gerdau ADRs during the Class Period.

For purposes of formulating the Plan of Allocation and determining the amount an Authorized Claimant may recover under it, Lead Counsel has conferred with its damages consultant.

In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, and as is more likely, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. Allowed claims will also be subjected to the statutory 90-day look-back amount provided for in the Private Securities Litigation Reform Act of 1995 ("PSLRA").[2]

[2] Pursuant to Section 21D(e)(1) of the PSLRA, "in any private action arising under this chapter in which the plaintiff seeks to establish damages by reference to the market price of a security, the

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. The allocation below is based on the following inflation per share amounts for Class Period ADRs purchases and sales as well as the statutory PLSRA 90-day look-back amount of $1.93. Furthermore, if any of the formulas set forth below yield an amount less than or equal to $0.00, the claim per ADR shall be $0.00.

A "claim" will be calculated as follows:

GERDAU S.A.
CUSIP: 373737105
April 23, 2012-May 16, 2016

March 27, 2015 Market Adjusted Price Decline: $0.36

May 16, 2016 Market Adjusted Price Decline: $0.21

1. For Gerdau ADRs ***purchased, or acquired, on or between April 23, 2012 through March 26, 2015***, the claim per ADR shall be as follows:

a) If sold prior to March 27, 2015, the claim is zero.

b) If sold on March 27, 2015 through May 15, 2016, the claim shall be the lesser of: (i) $0.36, or (ii) the difference between the purchase price and the selling price.

c) If retained at the end of May 15, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) $0.57 (March 27, 2015 and May 16, 2016 Price Declines), or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

d) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) $0.57, or (ii) the difference between the purchase price and $1.93.

2. For Gerdau ADRs ***purchased, or acquired, on or between March 27, 2015 through May 15, 2016***, the claim per ADR shall be as follows:

a) If sold prior to May 16, 2016, the claim is zero.

b) If retained at the end of May 15, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) $0.21, or (ii) the difference between the purchase price

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award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market."

and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

c) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) $0.21, or (ii) the difference between the purchase price and $1.93.

3. For Gerdau ADRs ***purchased, or acquired, on May 16, 2016***, the claim per ADR shall be as follows:

a) If sold on May 16, 2016, the claim shall be the least of: (i) $0.21, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and $1.71 (Closing Price on May 16, 2016).

b) If retained at the end of May 16, 2016 and sold before August 12, 2016, the claim shall be the least of: (i) $0.21, or (ii) the difference between the purchase price and the selling price, or (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in the table below.

c) If retained, or sold, on or after August 12, 2016, the claim shall be the lesser of: (i) $0.21, or (ii) the difference between the purchase price and $1.93.

Date	Price	Average Closing Price
5/16/2016	$1.71	$1.71
5/17/2016	$1.70	$1.71
5/18/2016	$1.62	$1.68
5/19/2016	$1.56	$1.65
5/20/2016	$1.61	$1.64
5/23/2016	$1.61	$1.64
5/24/2016	$1.57	$1.63
5/25/2016	$1.60	$1.63
5/26/2016	$1.66	$1.63
5/27/2016	$1.57	$1.62
5/31/2016	$1.53	$1.62
6/1/2016	$1.55	$1.61
6/2/2016	$1.57	$1.61
6/3/2016	$1.68	$1.61
6/6/2016	$1.78	$1.62
6/7/2016	$1.78	$1.63
6/8/2016	$1.91	$1.65
6/9/2016	$1.78	$1.66
6/10/2016	$1.67	$1.66

6/13/2016	$1.65	$1.66
6/14/2016	$1.60	$1.66
6/15/2016	$1.67	$1.66
6/16/2016	$1.70	$1.66
6/17/2016	$1.71	$1.66
6/20/2016	$1.70	$1.66
6/21/2016	$1.67	$1.66
6/22/2016	$1.69	$1.66
6/23/2016	$1.85	$1.67
6/24/2016	$1.69	$1.67
6/27/2016	$1.65	$1.67
6/28/2016	$1.70	$1.67
6/29/2016	$1.74	$1.67
6/30/2016	$1.81	$1.68
7/1/2016	$1.89	$1.68
7/5/2016	$1.78	$1.69
7/6/2016	$1.79	$1.69
7/7/2016	$1.75	$1.69
7/8/2016	$1.83	$1.70
7/11/2016	$1.87	$1.70
7/12/2016	$2.00	$1.71
7/13/2016	$2.07	$1.72
7/14/2016	$2.03	$1.72
7/15/2016	$2.06	$1.73
7/18/2016	$2.13	$1.74
7/19/2016	$2.08	$1.75
7/20/2016	$2.03	$1.75
7/21/2016	$2.05	$1.76
7/22/2016	$2.17	$1.77
7/25/2016	$2.15	$1.78
7/26/2016	$2.28	$1.79
7/27/2016	$2.34	$1.80
7/28/2016	$2.30	$1.81
7/29/2016	$2.35	$1.82
8/1/2016	$2.35	$1.83
8/2/2016	$2.24	$1.83
8/3/2016	$2.37	$1.84
8/4/2016	$2.52	$1.86
8/5/2016	$2.66	$1.87
8/8/2016	$2.53	$1.88
8/9/2016	$2.57	$1.89
8/10/2016	$2.69	$1.91

8/11/2016	$2.83	$1.92
8/12/2016	$2.78	$1.93

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date. All purchase, acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise or operation of law of Gerdau ADRs during the Class Period shall not be deemed a purchase or sale of Gerdau ADRs for the calculation of a claimant's recognized claim, nor shall it be deemed an assignment of any claim relating to the purchase of such ADRs unless specifically provided in the instrument of gift or assignment. The receipt of Gerdau ADRs during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Gerdau ADRs.

For Class Members who held Gerdau ADRs at the beginning of the Class Period or made multiple purchases, acquisitions or sales during the Class Period, the First-In, First-Out ("FIFO") method will be applied to such holdings, purchases, acquisitions, and sales for purposes of calculating a claim. Under the FIFO method, sales of Gerdau ADRs during the Class Period will be matched, in chronological order, first against ADRs held at the beginning of the Class Period. The remaining sales of ADRs during the Class Period will then be matched, in chronological order, against ADRs purchased or acquired during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net overall loss, after all profits from transactions in all Gerdau ADRs described above during the Class Period are subtracted from all losses. However, the proceeds from sales of ADRs that have been matched against the ADRs held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than $10.00.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiff, Lead Plaintiff's Counsel, the Claims Administrator or other Person designated by Lead Counsel, Defendants, or Defendants' counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation or further orders of the Court. All Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiff and

Lead Plaintiff's Counsel, likewise, will have no liability for their reasonable efforts to execute, administer and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation set forth above and approved by the Court. If there is any balance remaining in the Net Settlement Fund after six (6) months of the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if economically feasible, make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least $10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance shall then be distributed to an appropriate non-sectarian, non-profit charitable organization serving the public interest selected by Lead Counsel and approved by the Court.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or acquired Gerdau ADRs during the Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) BUSINESS DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired such securities during such time period; or (b) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404014
Louisville, KY 40233-4014
www.bolandvgerdausa.com

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A-2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION PROOF OF CLAIM AND RELEASE EXHIBIT A-2

I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Class based on your claims in the action entitled *Boland v. Gerdau S.A., et al.*, No. 1:16-cv-03925-LLS (the "Litigation"), you must complete and, on page ___ hereof, sign this Proof of Claim and Release form ("Proof of Claim"). If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Proof of Claim, your claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Litigation.

3. YOU MUST MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED PROOF OF CLAIM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED HEREIN, NO LATER THAN _____, 2017, ADDRESSED AS FOLLOWS:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404014
Louisville, KY 40233-4014
Online Submissions: www.bolandvgerdausa.com

4. If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action ("Notice"), DO NOT submit a Proof of Claim.

5. If you are a Member of the Class and you do not timely request exclusion, you will be bound by the terms of any judgment entered in the Litigation, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

II. CLAIMANT IDENTIFICATION

If you purchased or acquired Gerdau S.A. ("Gerdau") American Depositary Receipts ("ADRs") and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record purchaser or acquirer. If, however, you purchased or acquired Gerdau ADRs and

the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

Use Part I of this form entitled "Claimant Identification" to identify each purchaser or acquirer of record ("nominee"), if different from the beneficial purchaser or acquirer of the Gerdau ADRs that forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE GERDAU ADRs UPON WHICH THIS CLAIM IS BASED.

Separate Proofs of Claim should be submitted for each separate legal entity (for example, a claim by joint owners should not include the transactions of just one of the joint owners, and an individual should not submit one claim that combines his or her IRA transactions with transactions made solely in the individual's name). Conversely, a combined Proof of Claim should be submitted on behalf of each legal entity (including an individual) that includes all transactions made by that entity, no matter how many separate accounts that entity has (for example, a corporation/individual with multiple brokerage accounts should include all transactions made in Gerdau ADRs during the Class Period on one Proof of Claim, no matter in how many accounts the transactions were made).

All joint purchasers or acquirers must sign this Proof of Claim. Executors, administrators, guardians, conservators and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Proof of Claim on behalf of persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including that your titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. CLAIM FORM

Use Part II of this form entitled "Schedule of Transactions in Gerdau ADRs" to supply all required details of your transaction(s) in Gerdau ADRs. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to ***all*** of your purchases or acquisitions and ***all*** of your sales of Gerdau ADRs which took place during the period April 23, 2012, through and including August 12, 2016, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to ***all*** of the Gerdau ADRs you held at the close of trading on April 22, 2012, May 16, 2016, and August 12, 2016. Failure to report all such transactions may result in the rejection of your claim.

List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

The date of covering a "short sale" is deemed to be the date of purchase of Gerdau ADRs. The date of a "short sale" is deemed to be the date of sale of Gerdau ADRs.

For each transaction, copies of broker confirmations or other documentation of your transactions in Gerdau ADRs should be attached to your Proof of Claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

A purchase or sale of Gerdau ADRs shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date; please provide any "contract" or "trade" dates in your claim.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in

electronic files. This is different from the online submission process that is available at www.bolandvgerdausa.com. If you have a large number of transactions and wish to file your claim electronically, you must contact the Claims Administrator at edata@gilardi.com to obtain the required file layout.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

Boland v. Gerdau S.A., et al.

Case No. 1:16-cv-03925-LLS

PROOF OF CLAIM AND RELEASE

Must Be Postmarked (if mailed) or Received (if submitted online) No Later Than:

_____, 2017

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

_____

Beneficial Owner's Name (First, Middle, Last)

_____

Street Address

_____ _____

City State or Province

_____ _____

Zip Code or Postal Code Country

_____ _____ Individual

_____ Corporation/Other

Social Security Number or
Taxpayer Identification Number

_____ _____

Area Code Telephone Number (work)

_____ _____

Area Code Telephone Number (home)

_____

Record Owner's Name (if different from beneficial owner listed above)

PART II: SCHEDULE OF TRANSACTIONS IN GERDAU ADRs

A. Number of Gerdau ADRs held at the close of trading on April 22, 2012: _____

B. Purchases or acquisitions of Gerdau ADRs (April 23, 2012 – August 12, 2016, inclusive):

Trade Date Month Day Year	Number of ADRs Purchased or Acquired	Total Purchase or Acquisition Price
1._____	1._____	1._____
2._____	2._____	2._____
3._____	3._____	3._____

IMPORTANT: (i) If any purchase listed covered a "short sale," please mark Yes. ☐ Yes

(ii) If you received shares through an acquisition or merger, please identify the date, the share amount, and the company acquired:

☐☐/☐☐/☐☐☐☐
MM DD YYYY _____ Merger Shares _____ Company

C. Sales of Gerdau ADRs (April 23, 2012 – August 12, 2016, inclusive):

Trade Date Month Day Year	Number of ADRs Sold	Total Sales Price
1._____	1._____	1._____
2._____	2._____	2._____
3._____	3._____	3._____

D. Number of Gerdau ADRs held at the close of trading on May 16, 2016: _____

E. Number of Gerdau ADRs held at the close of trading on August 12, 2016: _____

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ AND SIGN THE RELEASE ON PAGE __. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

On behalf of myself (ourselves) and each of my (our) heirs, agents, executors, trustees, administrators, predecessors, successors and assigns, I (we) submit this Proof of Claim under the terms of the Stipulation of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator to support this claim (including transactions in other Gerdau securities) if requested to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions or sales of Gerdau ADRs during the Class Period and know of no other person having done so on my (our) behalf.

V. RELEASE

1. Upon the Effective Date of the Settlement, I (we) acknowledge full and complete satisfaction of, and fully, finally and forever settle, release and discharge from the Released Claims each and all of the "Released Persons," defined as each and all of the Defendants and their Related Parties. "Related Parties" means each Defendants' direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general

or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, any member of their immediate families, marital communities, or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively, the members of the Gerdau Johannpeter family, their lineal descendants or any trusts that are exclusively for the benefit of any of the foregoing, provided that any of the foregoing has the right to control such trust.

2. "Released Claims" means any and all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, local, common, statutory, administrative or foreign law, or any other law, rule, ordinance, administrative provision or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, which arise out of or relate in any way to both: (i) the purchase or acquisition of Gerdau ADRs during the Class Period, and (ii) the allegations, transactions, facts, matters, events, disclosures, registration statements, public filings, acts, occurrences, representations, statements, omissions or failures to act that were or could have been alleged by Lead Plaintiff or any Class Member in the Litigation. "Released Claims" does not include claims to enforce the Settlement. "Released Claims" includes "Unknown Claims" as defined below.

3. "Unknown Claims" means any and all Released Claims which Lead Plaintiff, Lead Plaintiff's Counsel or any Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons and any and all Released Defendants' Claims that the

Released Persons do not know or suspect to exist in her, her or its favor at the time of the release of the Lead Plaintiff, Lead Plaintiff's Counsel, or any Class Members, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of the Released Persons, Lead Plaintiff, Lead Plaintiff's Counsel or Class Members. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive and each of the Settling Parties shall be deemed to have, and by operation of the Judgment shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code §1542, which provides:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

The Settling Parties shall expressly waive and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, principle of common law or any provision of foreign law, which is similar, comparable or equivalent to California Civil Code §1542. The Settling Parties acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or Released Defendants' Claims, but the Settling Parties shall expressly settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or

unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

4. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

5. I (We) hereby warrant and represent that I (we) have included the information requested about all of my (our) transactions in Gerdau ADRs which are the subject of this claim, which occurred during the Class Period, as well as the opening and closing positions in such securities held by me (us) on the dates requested in this Proof of Claim.

I declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Proof of Claim by the undersigned is true and correct.

Executed this _____ day of _____, in _____,
(Month/Year) (City)

_____.
(State/Country)

_____
(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, *e.g.*, Beneficial Purchaser or Acquirer, Executor or Administrator)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and declaration.
2. If this claim is being made on behalf of Joint Claimants, then both must sign.
3. Remember to attach copies of supporting documentation, if available.
4. **Do not send** originals of certificates.
5. Keep a copy of your Proof of Claim and all supporting documentation for your records.
6. If you desire an acknowledgment of receipt of your Proof of Claim, please send it Certified Mail, Return Receipt Requested.
7. If you move, please send your new address to the address below.
8. **Do not use red pen or highlighter** on the Proof of Claim or supporting documentation.

THIS PROOF OF CLAIM MUST BE POSTMARKED (IF MAILED) OR RECEIVED (IF SUBMITTED ONLINE) NO LATER THAN _____, 2017, ADDRESSED AS FOLLOWS:

Boland v. Gerdau S.A. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 404014
Louisville, KY 40233-4014
www.bolandvgerdausa.com

EXHIBIT A-3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION SUMMARY NOTICE EXHIBIT A-3

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED GERDAU S.A. ("GERDAU") AMERICAN DEPOSITARY RECEIPTS ("ADRs") BETWEEN APRIL 23, 2012, AND MAY 16, 2016, INCLUSIVE

YOU ARE HEREBY NOTIFIED that pursuant to an Order of the United States District Court for the Southern District of New York, a hearing will be held on _____, 2017, at ___ __ ET, before the Honorable Louis L. Stanton at the Daniel Patrick Moynihan U.S. Courthouse, 500 Pearl Street, New York, NY 10007, for the purpose of determining: (1) whether the proposed settlement of the Litigation for the sum of $15,000,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) whether, thereafter, this Litigation should be dismissed with prejudice against the Defendants as set forth in the Stipulation of Settlement dated July 5, 2017; (3) whether the Plan of Allocation of settlement proceeds is fair, reasonable and adequate and therefore should be approved; and (4) the reasonableness of the application of Lead Counsel for the payment of attorneys' fees and expenses incurred in connection with this Litigation, together with interest thereon (which request may include a request for reimbursement of Lead Plaintiff's reasonable costs and expenses pursuant to the Private Securities Litigation Reform Act of 1995).

IF YOU PURCHASED OR ACQUIRED GERDAU ADRS BETWEEN APRIL 23, 2012, AND MAY 16, 2016, INCLUSIVE, YOUR RIGHTS MAY BE AFFECTED BY THIS LITIGATION AND THE SETTLEMENT THEREOF. If you have not received a detailed Notice of Proposed Settlement of Class Action and a copy of the Proof of Claim and Release form, you may obtain copies by writing to *Boland v. Gerdau S.A. Securities Litigation*, Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 404014, Louisville, KY 40233-4014 or by downloading this information at www.bolandvgerdausa.com. If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release online at www.bolandvgerdausa.com by _____ 2017, or postmarked no later than _____, 2017,

establishing that you are entitled to a recovery. You will be bound by any judgment rendered in the Litigation unless you request to be excluded, in writing, postmarked by _____, 2017.

If you purchased or otherwise acquired Gerdau ADRs during the Class Period and you desire to be excluded from the Class, you must submit a request for exclusion such that it is postmarked no later than _____, 2017, in the manner and form explained in the detailed Notice referred to above. All Members of the Class who do not validly request exclusion from the Class will be bound by any judgment entered in the Litigation pursuant to the Stipulation of Settlement.

Any objection to any aspect of the Settlement must be filed with the Clerk of the Court and also delivered by hand or first-class mail to each of the following addresses such that it is received no later than _____, 2017:

Court:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007

Lead Counsel:

ROBBINS GELLER RUDMAN
& DOWD LLP
ELLEN GUSIKOFF STEWART
655 West Broadway, Suite 1900
San Diego, CA 92101

Defendants' Counsel:

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
JAY B. KASNER
ANDREW R. BEATTY
4 Times Square
New York, NY 10036

KRAMER LEVIN NAFTALIS
& FRANKEL LLP
MICHAEL J. DELL
KAREN S. KENNEDY
JULIANA OLIVEIRA MAGGIO
1177 Avenue of the Americas
New York, NY 10036

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DONALD P. BOLAND and MARY A. BOLAND, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, vs. GERDAU S.A., et al., Defendants.	Civil Action No. 1:16-cv-03925-LLS CLASS ACTION [PROPOSED] ORDER AND FINAL JUDGMENT EXHIBIT B

On the __ day of _____, 2017, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation of Settlement dated July 5, 2017 (the "Stipulation") are fair, reasonable and adequate for the settlement of all claims asserted by the Class against the Defendants in the complaint now pending in this Court under the above caption (the "Litigation"), including the release of the Released Persons, and should be approved; (2) whether judgment should be entered dismissing the complaint on the merits and with prejudice in favor of the Defendants herein and as against all persons or entities who are Members of the Class herein who have not timely and validly requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the Members of the Class; and (4) whether and in what amount to award Lead Plaintiff's Counsel fees and expenses and Lead Plaintiff's expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was mailed to all individuals and entities, reasonably identifiable, who purchased or otherwise acquired Gerdau S.A. ("Gerdau") American Depositary Receipts ("ADRs") during the period between April 23, 2012, and May 16, 2016, inclusive (the "Class Period"), as shown by the records compiled by the Claims Administrator in connection with its mailing of the Notice, at the respective addresses set forth in such records, and that a summary notice of the hearing substantially in the form approved by the Court was published pursuant to the Order Preliminarily Approving Settlement and Providing for Notice as set forth in the Declaration of _____, and the Supplemental Declaration of _____; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and expenses requested by Lead Plaintiff's Counsel; and all capitalized terms used herein having the meanings set forth and defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of this Litigation, the Lead Plaintiff, all Class Members and Defendants.

2. For purposes of the Settlement only, the Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23(a) and (b)(3) have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiff are typical of the claims of the Class it seeks to represent; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of the Settlement only, this Court hereby finally certifies this action as a class action on behalf of all Persons who purchased or otherwise acquired Gerdau ADRs between April 23, 2012, and May 16, 2016, inclusive. Excluded from the Class are: Defendants, the officers and directors of Gerdau during the Class Period, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are the individuals and/or entities who have requested exclusion from the Class by submitting a timely and valid request for exclusion as listed on Exhibit 1 annexed hereto.

4. Notice of the pendency of this Litigation as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of this Litigation as a class action and of the

terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21 of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), due process and any other applicable law, constituted the best notice practicable under the circumstances and constituted due and sufficient notice to all individuals and entities entitled thereto.

5. The Settlement is approved as fair, reasonable, adequate, and in the best interests of the Class. Subject to the terms and provisions of the Stipulation and the conditions therein being satisfied, the parties are directed to consummate the Settlement.

6. The Litigation is hereby dismissed in its entirety with prejudice.

7. The releases as set forth in ¶¶5.1-5.4 of the Stipulation (the "Releases"), together with the definitions contained in ¶¶1.1-1.29 relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date.

8. Upon the Effective Date, Lead Plaintiff and each of the Class Members who have not timely opted out of the Class ("Class Releasors") are hereby permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against Defendants or any Released Persons in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims (including, without limitation, Unknown Claims), as well as any other claims arising out of, relating to or in connection with, the defense, settlement, or resolution of the Litigation or the Released Claims.

9. Upon the Effective Date, Lead Plaintiff shall, and each of the Class Members shall be deemed to have, and by operation of this Judgment shall have, fully, finally and forever released, relinquished and discharged all Released Claims against the Released Persons. Lead Plaintiff and each Class Member are bound by this Judgment including, without limitation, the release of claims

as set forth in the Stipulation. The Released Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Persons on the merits and with prejudice by virtue of the proceedings herein and this Judgment.

10. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally and forever released, relinquished and discharged Lead Plaintiff, each and all of the Class Members, and Lead Plaintiff's Counsel from all claims (including, without limitation, Unknown Claims) arising out of, relating to or in connection with the institution, prosecution, assertion, settlement, or resolution of the Litigation or the Released Defendants' Claims.

11. Neither this Judgment, the Stipulation nor any of its terms and provisions, nor any of the negotiations, discussions, or proceedings connected with it, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement, nor any of the documents or statements referred to therein nor any payment or consideration provided for therein, shall be:

(a) offered or received against the Released Persons as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Released Persons with respect to the truth of any fact alleged by the Lead Plaintiff or the validity of any claim that has been or could have been asserted in this Litigation, or the deficiency of any defense that has been or could have been asserted in this Litigation or of any liability, negligence, fault or wrongdoing of the Released Persons;

(b) offered or received against the Released Persons as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any of the Released Persons;

(c) offered or received against the Released Persons as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Persons, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the Released Persons may refer to it to effectuate the liability protection granted them hereunder;

(d) construed against the Released Persons as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; or

(e) construed as or received in evidence as an admission, concession or presumption against Lead Plaintiff or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Released Persons have any merit or that damages recoverable under the complaint would not have exceeded the Settlement Fund.

12. Notwithstanding the provisions of the preceding paragraph, the Released Persons may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense, claim or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

13. The Court finds that Gerdau has satisfied its financial obligations under the Stipulation by paying or causing to be paid $15,000,000 to the Settlement Fund.

14. The Court finds and concludes that the Lead Plaintiff, Lead Plaintiff's Counsel, Defendants and counsel to the Defendants have complied with each requirement of Rule 11(b) of the

Federal Rules of Civil Procedure as to any complaint, responsive pleading, dispositive motion or other filing.

15. Any Plan of Allocation submitted by Lead Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment. Separate orders shall be entered regarding approval of a plan of allocation and Lead Counsel's application for an award of attorneys' fees and expenses.

16. Any appeal or any challenge affecting the approval of (a) the Plan of Allocation submitted by Lead Counsel and/or (b) this Court's approval regarding any attorneys' fee and expense applications shall in no way disturb or affect the finality of the other provisions of this Judgment nor the Effective Date of the Settlement.

17. Jurisdiction is hereby retained over settling Defendants, the Lead Plaintiff and the Class Members for all matters relating to the administration, interpretation, effectuation or enforcement of the Stipulation and this Judgment, including any application for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Members of the Class.

18. In the event that the Settlement does not become Effective in accordance with the terms of the Stipulation, or is terminated pursuant to ¶8.3 of the Stipulation, ¶¶8.5-8.6 of the Stipulation shall apply and this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and may not be introduced as evidence or reflected in any action or proceeding by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to May 15, 2017.

19. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

20. Defendants have provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. §1715.

21. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

DATED: _____

_____
THE HONORABLE LOUIS L. STANTON
UNITED STATES DISTRICT JUDGE