



**CONFLICT OF INTEREST POLICY (INCLUDING THE GIVING AND RECEIVING OF GIFTS AND ENTERTAINMENT)**

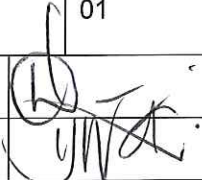
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| <b>Policy Name:</b> Conflict of interest (including the giving and receiving of gifts and entertainment) |                             |             | <b>Policy Document Number:</b> GEO-V-2-01_01-02                                       |             |
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# CONFLICT OF INTEREST POLICY (INCLUDING THE GIVING AND RECEIVING OF GIFTS AND ENTERTAINMENT)

## 1. CONFLICT OF INTEREST

Good business practice requires that employees and officers make fair and objective decisions in Sasol's best interests. To this end, employees or directors must avoid situations that may result in actual, perceived or potential conflicts of interest, involving themselves or close relatives and must be declared, registered and its impact mitigated.

The responsibility for avoiding conflicts of interest does not end with individual employees or directors, but extends to their close family and friends or other beneficiaries who may have interests that conflict with those of Sasol.

### 1.1 Purpose of the policy

The purpose of this policy is:

- 1.1.1 To help Sasol employees, officers and directors make sound decisions when confronted with a potential conflict of interest situation by providing specific guidelines, in accordance with the Sasol Code of Ethics and its guidelines;
- 1.1.2 To ensure that decision-making is sound and in line with good business practice, it should be fair and objective, and be in the best interests of Sasol. If an officer or employee of Sasol is unduly influenced by personal benefit, or benefits for related persons or other associates, they do not meet the aforementioned criteria. In other words, conflicts of interest undermine effective decision-making;
- 1.1.3 The responsibility for evaluating, declaring and managing potential conflicts of interest lies with all officers and employees at Sasol. We expect all our stakeholders, which include our officers and employees, to actively demonstrate the moral obligation to do the right thing for the right reasons. We acknowledge that conflict of interest situations can often be complex, thus this policy provides broadly-applicable guidelines for the behaviours and actions that we expect.

### 1.2 Scope

#### 1.2.1 Applicability

This policy applies globally, uniformly and without exception to all Sasol businesses, employees, directors, contractors and business relationships. Compliance with this policy is ultimately the responsibility of every director, employee and contractor acting on our behalf, and is a condition of their employment or contract. Each Sasol employee and

director must understand how this policy applies to their areas of responsibility, adhere to this policy in all their business dealings and conduct themselves in a way that positively reflects and advances the commitments in the policy. Those in leadership positions have an added responsibility and accountability for applying our ethical standards in their areas of responsibility.

## **2. WHAT IS CONFLICT OF INTEREST?**

A conflict of interests occurs when there is the following:

- a) Any conflict between Sasol's interests and the direct or indirect private interests of a Sasol officer or employee (or their close relatives), which could improperly influence, or be perceived to influence, the objective and effective performance of their officer duties or responsibilities;
- b) Private and Sasol's interests are mixed thereby affecting the objectivity and discretion of an employee or officer in performing their duties or making decisions in the best interests of Sasol. This could also mean that an employee or director is in a position to make or influence a decision that is not fair and objective in order to benefit personally or to benefit related persons or other associates.;
- c) Business judgment and business decisions are influenced by and based on private interests or personal gain;
- d) The private interests are material as to distract an employee or director from effective discharge of their duties; and
- e) Discretion, judgment or decision making is biased and influenced by the employee's personal interests.

A personal interest is generally only deemed to be in conflict with Sasol's interests if it has the potential to influence, or could be perceived to influence, a person's decisions in their role and position in Sasol.

### **2.1 There are three types of conflicts of interest:**

- A direct conflict of interest – where a person is in a position to be influenced by their private interests when doing their job.
- A perceived conflict of interest – where a person is in a position to appear to be influenced by their interests when doing their job.
- A potential conflict of interest – where a person is in a position where they may be influenced in the future by their private interests when doing their job.

Potential conflicts of interest include situations that impact negatively on the availability and use of resources, such as time or facilities meant for work purposes, or situations where a person is in a position where they may be influenced in the future by their private interests when doing their job.



Conflicts of interest are not limited to direct financial interests. They extend to accepting business courtesies, and having private business interest in entities that might do business with Sasol, and affiliations with non-profit organisations.

### 3. EXAMPLES OF CONFLICT(S) OF INTEREST

Although not exhaustive, employees must refrain from the following, which Sasol deems to be likely to result in unacceptable conflicts of interest:

- **Close relationships** with people in entities with which Sasol does business and in reporting structures within Sasol (for example family members or friends reporting to one another). Such relationships include family, close friendship and even common private club memberships (for example leisure, sports or investment clubs or joint property ownership). It follows therefore, that an employee must recuse himself/herself and is not allowed to be involved in the hiring decision, supervision, management or career planning of the employee's spouse, family members or close friends.
- **Activities that compete significantly for resources** such as time and facilities. This could include non-Sasol work (for gain or not for gain), positions and membership outside Sasol (for example directorships, trusteeships or public office) or study activities unrelated to the work performed for Sasol. Employees may not be engaged or take part directly or indirectly, whether as an employee, director, consultant, trustee or in any other capacity, in any other business without the Sasol's prior written consent. Should new employees be engaged in any remunerative private work or activities, they shall be required to declare same in writing prior to accepting the employment offer.
- **Any direct or indirect provision of services or goods to Sasol by a Sasol employee on a commercial basis** (for example for additional compensation and in excess of their normal duties), is regarded as a significant conflict of interest. As such, no Sasol employee himself or herself or together with family members of the employees, partners or other business associates of the employees or other employees will be allowed on the Sasol vendor list.

Approval for private work and outside activities is covered by the relevant Human Resources policy, which can be found on the Sasol intranet at:

[http://mybusiness.sasol.com/sites/FC/SHR/HR\\_Policies/Rewards%20and%20Benefits/Forms%20%20Rewards%20and%20Organisational%20Design/Private%20work%20and%20outside%20activities%202013-14.pdf](http://mybusiness.sasol.com/sites/FC/SHR/HR_Policies/Rewards%20and%20Benefits/Forms%20%20Rewards%20and%20Organisational%20Design/Private%20work%20and%20outside%20activities%202013-14.pdf)

- **Holding investments or financial interests, directly or indirectly**, in businesses contracting or competing or seeking to do business with Sasol in the employee's own area of influence.
- **Undue privilege** derived by Sasol employees, family members or close friends as a result of being party to valuable information, receiving or giving gifts or entertainment that might place employees under an obligation to reciprocate, or being offered business or other opportunities.

#### 4. DECLARATION OF CONFLICT(S) OF INTEREST

Officers and employees may not put themselves in a position where their personal interests conflict or could in future conflict with Sasol's interests. Where conflicts of interest or potential conflicts of interest cannot be avoided, or the officer or employee wants to make a case for working within a situation that represents a potential conflict of interest, the following procedure applies:

- a) Any case that could represent a conflict of interest must be declared on the Sasol Declaration System or in writing.
- b) Officers or employees must obtain prior written consent from their line manager, who must be a Vice President or more senior. Any line manager who is approached regarding a conflict of interest, and is uncertain as to whether consent should be granted, should consult their more senior line manager and/or Ethics Officer.

For the purposes of this policy, senior management refers to people within the role categories of operational/functional specialisation or more senior.

Consent pertaining to an actual or potential conflict of interest should only be granted if:

- It is declared on the Sasol Declaration System or in writing and supported by a written risk mitigation plan and relevant controls;
- It can be responsibly managed without prejudice to the organisation; and
- It is not in conflict with a material Sasol interest.

Any approval granted must be resubmitted and reviewed annually. Furthermore, employees with material decision-making authority will be required to confirm once a year that they have declared fully during the year or augment their declarations as part of the annual declaration.

If there is any doubt about the prudence of consenting to a conflict of interest, the matter should be referred to the responsible Vice President and/or Ethics Officer.

Directors and other officers required to do so by law must record the required matters annually on the Sasol Declaration System or in writing; at relevant meetings; and when contracting in writing to the boards on which they serve. Declarations required by law must be recorded in the format required in terms of the applicable legislation, and entered into the register managed by the Company Secretary.

The Sasol Declaration System is the preferred method for declaring all conflicts of interest as well as gifts and entertainment as noted in this policy. Declarations may still be done in writing on paper systems if required for legitimate business reasons. All declarations of interests and conflicts of interest (approved and declined) required in terms of this policy, must be made in the Sasol Declaration System or recorded in the business unit registers, which are to be kept and managed by the respective ethics officers. Ethics officers must submit these registers to their respective executive committees quarterly for noting. The registers will be made available to employees on request if they can demonstrate a legitimate business interest in their content.

In addition to obtaining approval for and declaring a conflict of interest, the officer or employee is expected to declare this conflict in every instance where it has relevance. They are also expected to refrain from participating in business activities related to the declared conflict of interest, and substitute themselves with a more senior person should only subordinates be involved. They are required to submit proof of these actions with every annual request for approval of a conflict of interest.

|                                                                              |
|------------------------------------------------------------------------------|
| The definition of "decision-making authority" will be communicated annually. |
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In the event of declarations being made in writing rather than on the Sasol Declaration System, the Chief Financial Officers of such business entities must confirm annually to the Combined Assurance and Disclosure Committee that the requirements of this policy have been complied with.

## **5. GIVING AND RECEIVING GIFTS AND ENTERTAINMENT**

Efficient business transactions and decision-making require objectivity. Therefore, employees must not give or accept gifts, entertainment or any other personal benefit or privilege that could influence, or appear to influence, their objectivity in carrying out their duties in the best interests of the company.



The exchange of gifts and entertainment is not inherently unethical. It can be an effective way to build goodwill in business relationships. However, some gifts and entertainment can exert improper influence if they are, or can be seen to be, undue attempts to influence decisions and behaviour, or bribes. Such circumstances may harm Sasol's reputation for fair dealings and may even break the law. Any gift or entertainment that has the potential or intention to influence objectivity regarding business judgment and business decisions is deemed to present a conflict of interest.

Sasol's policy makes the distinction between appropriate and inappropriate giving and receiving of gifts and entertainment. What is deemed to be reasonable and appropriate cannot be quantified or specified exclusively, as it will differ according to different contexts and situations. Every officer or employee is expected to exercise sound judgement regarding giving or receiving gifts and entertainment and bears the responsibility for defending their decision as such. If uncertain, the officer or employee must seek advice from their line manager, Ethics Officer and Legal Advisor in making the final decision.

Company employees and officers may give and receive appropriate, lawful business gifts in connection with their work with commercial customers and other non-governmental parties. Special care must be taken when dealing with government officers, as most countries do not allow any exchange of gifts and entertainment with public officers. These include, but are not limited to, elected and appointed officers at local and national levels, as well as government employees such as public safety officers and police officers.

Although there may be exceptions for practical reasons, in general, employees and officers should not offer anything of value to a government officer, whether directly or indirectly. An example of exception for practical reasons include bona fide hospitality and relevant equipment (for example personal protective equipment or general stationery) during site visits or meetings, which are reasonable and can in no way be construed as an attempt to bribe. Please refer to the Sasol Anti-Bribery Policy for more detail on the Sasol requirements when dealing with government officers.

All gifts should be reasonable and not excessive in value, given the specific circumstances, and should not be repeated unduly. Moreover, they should be given or received with no intent or prospect of improperly influencing the recipient or getting anything in return, including business or other favours or preferential treatment. Gifts and entertainment, given and received, should be acceptable when all the facts of the particular situation are considered. Particular attention should be given to the intention of the gift, hospitality or benefit offered or accepted as this determines whether it may be



construed as a bribe. The criterion is whether the intention, actual or perceived, is aimed at inducing improper performance, regardless of the actual value or outcome of the offer.

What is deemed to be acceptable cannot be quantified, as it will differ according to job categories, levels and situations. For instance, when negotiating contracts even a low-value gift, hospitality or benefit can create a conflict of interest. As such, a conservative approach should be followed. This is especially true for senior management as they set the tone for the rest of the organisation.

In the interest of fairness this policy applies equally to gifts and entertainment given and received. The policy does not differentiate between Sasol officers and employees giving gifts and entertainment to outside stakeholders or receiving gifts and entertainment. This is because, as a values-driven organisation, Sasol's approach is not to put its stakeholders in the position of being faced with conflicts of interest in their relationships with Sasol.

Gifts and entertainment means anything of value, including but not limited to discounts, loans, cash, favourable terms on any product or service, prizes, transportation, use of vehicles or vacation facilities, shares or other securities, participation in share offerings, home improvements, tickets, gift certificates, sports events, spa treatments, golf days and so forth.

In most countries, gifts and entertainment given to employees by employers or related entities are subject to fringe benefit taxation. In this case the employee giving the gift or entertainment is responsible for ensuring that these items are recorded in the appropriate salary systems for tax purposes. The employee is also responsible for retaining the necessary proof of having done so.

Gifts and entertainment given or received by Sasol employees to external parties are either:

- Never acceptable;
- May be acceptable but require prior approval; or
- Usually acceptable and require no approval.

Again, a line manager or Ethics Officer should be consulted if in any doubt. Officers and employees are responsible for familiarising themselves with these three categories as described below, and accountable for taking appropriate actions.

## **5.1 Gifts and entertainment that are never acceptable**

Notwithstanding anything else in this policy document, and irrespective of the source of the funds used, the following gifts or entertainment are strictly prohibited:

- The giving or receiving of cash or a cash equivalent;
- The giving or receiving of any gift or entertainment that would constitute a contravention of any law. Examples are the US Foreign Corrupt Practices Act, the UK Bribery and Corruption Act and the South African Prevention and Combating of Corrupt Activities Act;
- The giving or receiving of anything that creates an obligation to reciprocate or might influence business judgment or an outcome of a business decision;
- The giving or receiving of any gift or entertainment involving parties engaged in a tender or competitive bidding process;
- The giving or receiving of any gift or entertainment in exchange for a tender, contract, a permit or any other benefit;
- Any gift or entertainment that is a *quid pro quo* (offered for something in return); and
- The giving or receiving of any gift or entertainment that would if it became public, adversely affect Sasol's reputation.

If any doubt exists whether a gift or entertainment is unacceptable, the officer or employee must discuss it with their line manager who should be at senior management level, their Ethics Officer and/or Legal Advisor. A conservative classification should be determined based on all relevant facts.

## **5.2 Gifts and entertainment that may result in conflicts of interest that require approval**

As a general rule, the following guidelines apply to gifts and entertainment that may result in conflicts of interest that require approval:

5.2.1 Any gifts or entertainment that could result in a conflict of interest must be declined tactfully, on the basis that it violates Sasol policy. Where this course of action would be inappropriate, the officer or employee should accept the offer but declare it under the guidelines below;

5.2.2 All gifts and entertainment that can be seen, individually or together, to create a conflict of interest must be dealt with in the following manner:

- a) They may only be given or received with the written approval (in the Sasol Declaration System or otherwise) of a line manager at senior management level, in consultation with the appropriate Ethics Officer and Legal Advisor. Such

approval may only be given in exceptional circumstances where such gifts or entertainment are clearly in the best interests of the company. As far as it is realistically possible, approval should preferably be obtained before the event;

- b) If the declaration is not recorded in the Sasol Declaration System, it must be declared and recorded in the officer conflict of interest registers of the business entity or function (whether the gift or entertainment is accepted or not);
- c) Gifts are deemed company property once approved and accepted and may not be retained by the employee for personal benefit under any circumstances;
- d) Gifts and entertainment must be recorded in the Sasol Declaration System or in the conflict of interest register as soon as possible, but not more than 30 days after the event. Such gifts must be disposed of within 30 days in terms of a written resolution between the officer or employee's line manager at senior management level, Ethics Officer and Legal Advisor. The details of such disposal must be recorded by the officer in the business's register and these records must be available for inspection and auditing;
- e) Expensive, excessive and sought-after hand-outs provided as part of a conference or training course "package", such as cell phones, laptops or tablet computers, are deemed to be Sasol property and should be handled as prescribed above;
- f) Entertainment of the following nature is deemed to have inherent potential for creating conflicts of interest and should be carefully dealt with and rather be avoided or declined:
  - Entertainment that includes partners, family members or close friends of officers and employees.
  - Entertainment lasting longer than a few hours or repeated often.
  - Expensive or lavish meals or hospitality.
  - Entertainment outside working hours or away from an officer or employee's work environment.
  - Expensive or sought-after gifts such as expensive pens, watches and jewellery, or electronic equipment such as cell phones, laptops and tablet computers.
  - Sought-after entertainment such as high-profile shows, sporting events or recreational opportunities.

### **5.3 Gifts and entertainment that generally may be acceptable**

Sasol allows the giving or receiving of gifts or entertainment where there is clearly no possibility of creating a conflict of interest. Such gifts or entertainment are seen to be customary and proper in the circumstances, provided that no obligation for reciprocation is expected. Some gifts and entertainment are sufficiently modest that they do not require prior approval.

5.3.1 Although not exhaustive, typical examples of such gifts and entertainment include:

- Modest and occasional meals with someone with whom the officer or employee does business.
- Entertainment that involves occasional attendance at ordinary sports events, theatre and other cultural events.
- Gifts of limited value, such as ordinary pens, calendars or small promotional items.
- Widely bestowed privileges deemed as insignificant and granted in full public view. Such items include low-value calendars, low-cost meals during business hours and hand-outs of reasonable value offered at trade fairs and conferences.
- The giving or receiving of gifts and entertainment by Sasol employees funded from private money on widely recognised occasions such as Secretaries' Day and Valentine's Day.
- Reasonable gifts handed out or hospitality provided during officer Sasol functions.

Gifts and entertainment where there is clearly no possibility of creating a conflict of interest, specifically within and relating to the officer or employee's position and function, do not need approval. Any such gifts and entertainment may only be accepted if they are reasonable and not excessive. Exercising the correct judgment and taking accountability for accepting such gifts or entertainment rests with the officer or employee.

All gifts and entertainment (given or received), which are likely to be valued at US\$100 or higher in total value should be declared for recording purposes. This reporting requirement is only for record keeping and it should in no way be considered that it implies that gifts or entertainment below this value are acceptable (reasonable and not excessive) or that gifts and entertainment above this value are deemed to be excessive and not reasonable and therefore not acceptable.

What is deemed to be reasonable and appropriate cannot be quantified, as it will differ according to job categories, job levels or situations. For instance, when negotiating contracts, even a low-value gift or entertainment can create the possibility for a conflict of interest. It is the responsibility of the receiver or provider of a gift or entertainment to assess whether it is reasonable and not excessive under the specific circumstances and situational context. The respective officer or employee is expected to exercise sound judgement and bears accountability for defending their decision as such. If uncertain, the officer or employee must seek the advice of their line manager, Ethics Officer and/or Legal Advisor in making the final decision.



5.3.2 The following questions are helpful in determining whether a gift or entertainment is appropriate:

- **Intent** – is my intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
- **Materiality and frequency** – is the gift or entertainment modest and infrequent or could it place, or be seen to place, the other party under an obligation to reciprocate in any way?
- **Legality** – am I sure that the gift or entertainment is legal, both in my country and in the country of the recipient?
- **Compliance with the other party's rules** – is the receipt of the gift or entertainment allowed by the recipient's organisation?
- **Transparency** – would I be embarrassed if my manager, colleagues or anyone outside Sasol became aware of this? If so, it is likely that it is the wrong thing to do.
- **Hypocrisy** – am I adopting double standards? We should only offer what we would be comfortable to accept, and vice versa.

## **6. Non-compliance with the conflict of interest policy**

Non-compliance with this policy and the procedures associated with it may result in disciplinary action and even dismissal. Non-compliance may also contravene corruption laws, which may result in imprisonment, fines or both. Line managers must ensure that all Sasol employees in their areas of responsibility are aware of and understand Sasol's conflict of interest policy, particularly in respect of gifts and entertainment.