

SASOL LIMITED

2019 KING IV™ APPLICATION REGISTER



The below-mentioned principles embody what Sasol strives to achieve by the application of various governance practices. The governance practices detailed below have been implemented throughout the organisation and progress has been made towards achieving Sasol's aspirations in relation to good corporate governance. Sasol realises the following benefits and value creation through good governance:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

Application Register:

Leadership, Ethics and Corporate Citizenship	Strategy, Performance and Reporting	Governing Structures and Delegation	Governance Functional Areas	Stakeholder Relationships
Principles 1, 2 and 3	Principles 4 and 5	Principles 6 to 10	Principles 11 to 15	Principle 16

Sasol Limited (Sasol / the Company) is listed on the Johannesburg Stock Exchange operated by the JSE Limited (JSE). Sasol is also listed on the New York Stock Exchange (NYSE) for the purpose of registering its American Depositary Receipts with the United States Securities and Exchange Commission (SEC). The Company complies with the principles of King IV, the mandatory corporate governance requirements of the JSE and the applicable NYSE corporate governance requirements. Paragraph 3.84 of the JSE Listings Requirements stipulates that issuers must comply with certain specific requirements concerning corporate governance. Sasol complies with all the requirements of paragraph 3.84. For the period ended 30 June 2019, Sasol applied all the principles of King IV as disclosed in the table below.

Principles	Application	Reference
<p>Principle 1 The Board should lead ethically and effectively</p>	<p>Sasol is a values-based organisation, committed to high standards of business integrity and ethics. The Board steers and sets the direction of the Group and brings independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board, while ensuring that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced.</p> <p>Ethical and effective leadership underpins the Board’s oversight and strategic steer. The Board embraces and promotes value-creating governance through a deliberate and structured approach.</p> <p>The Board Charter outlines the policies and practices of the Board on matters such as directors’ dealings in the securities of the Company and declarations of conflicts of interest. Directors adhere to Sasol’s declarations of interest policy, which is based on the Companies Act, 2008 requirements. The Board, through the Nomination and Governance Committee, considers and takes note of the declarations of interests tabled and identifies and acts on untenable conflicts. Sasol’s directors, executives and senior employees are prohibited from dealing in Sasol securities during certain prescribed periods. The Company Secretary regularly informs directors, executives and senior employees of the insider trading legislation and advises them of closed periods. A report on directors’ dealings in Sasol’s shares is tabled at each Board meeting and disclosed in terms of the applicable JSE and NYSE listings requirements.</p> <p>Through the activities of the Board and Board Committees, the Board ensures that value is created and protected for all shareholders and stakeholders. The Board exercises control through the governance framework of the Company which includes detailed reporting to the Board and its committees, Board reserved decision-making authority and a system of assurance on internal controls.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • Governance overview p.60-69 <p>Sasol Board Charter [click here]</p>
<p>Principle 2 The Board should govern the ethics of the Company in a way that supports the establishment of an ethical culture</p>	<p>The Board determines and sets the tone of Sasol’s values, including principles of ethical business practice, human rights considerations and the requirements of being a responsible corporate citizen and through the Safety, Social and Ethics Committee, approves Sasol’s Code of Conduct (Code). The Code adopts a behaviours-based approach which reinforces the importance of linking Sasol’s day-to-day actions to its shared values and aspirational culture. The Code is further underpinned by policies and guidance notes to enhance its everyday-application.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • Material matters impacting our strategy p. 58 • Safety, Social and Ethics Committee p.65 • Report of the Safety, Social and

Principles	Application	Reference
	<p>Management has been delegated the responsibility for implementation and execution of the Code and the Board, with the assistance of the Safety, Social and Ethics Committee, exercises ongoing oversight of the management of ethics, monitoring Sasol's activities with regard to ethics, and ensuring it is integrated in the operations of the Company.</p> <p>The Code guides interaction with all stakeholders of the Group and reaffirms Sasol's commitment to only do business on the basis of fair, lawful, efficient and transparent practices. Sasol has been operating an independent ethics reporting telephone line through external advisors since 2002. This confidential and anonymous EthicsLine provides an impartial facility for all stakeholders to report deviations from ethical behaviour, including fraud and unsafe behaviour or environmental misconduct.</p> <p>The Code is published on the website and incorporated by reference in supplier and employee contracts. The Code is available in a number of different languages. A high level overview for governing and managing ethics is also published on the website and disclosed in the Integrated Report.</p>	<p>Ethics Committee p.72-73</p> <p>Sasol Code of Conduct [click here]</p> <p>Sasol Ethics: UK Modern Slavery Act Statement [click here]</p>

<p>Principle 3 The Board should ensure that the Company is and is seen to be a responsible corporate citizen</p>	<p>In terms of its role of overseeing the Company's conduct as a good corporate citizen, the Board approves the strategy and priorities of the business, including Sasol's material matters and, more specifically, those related to sustainability. Through stakeholder engagement and collaboration, Sasol has committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them in finding lasting solutions to sustainability challenges.</p> <p>It is a Sasol Group imperative to be a values-driven organisation, to deliver on the South African transformation agenda, to meet local content requirements in countries where Sasol operates, to fulfil its legal and moral obligations, and to ensure good governance practices are in place.</p> <p>The Board, with the support of the Safety, Social and Ethics Committee and the Group executive, oversees and monitors how the operations and activities of the Company affect its status as a responsible corporate citizen. This is measured against performance targets agreed with management in support of Sasol's strategic imperatives.</p> <p>Sasol's Integrated Report and Sustainability Report details the Group's progress against its priorities. These take place within the context of global change, material sustainability challenges, governance, ethics and human rights, safety, our aspirational culture, responding</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> Selected Sustainable Development Goals p.3 and executive summary p.6-7 Our Group top priorities for 2020 p.31 Managing sustainability as a strategic imperative p.42-43 Safety, Social and Ethics Committee p.65 and Report of the Safety, Social and Ethics Committee p.72 Remuneration Policy (policy
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Principles	Application	Reference
	to the changing regulatory context, addressing climate change and promoting water stewardship.	design principles) p.77 2019 Sustainability Report 2019 Climate Change Report and Climate Change Presentation
<p>Principle 4 The Board should appreciate that the Company’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process</p>	<p>The Board informs and approves Sasol’s strategy which is aligned with the purpose of the Company, the value drivers of its business and the legitimate expectations of its stakeholders, and aimed at ensuring sustainability; and which takes into account the top risks facing the Group in order to determine the priorities and material matters requiring attention. The Board oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance by, amongst others, reporting and disclosure.</p> <p>Sasol’s risk policy re-affirms that Sasol is committed to effective risk management in pursuit of its strategic objectives, with the ultimate aim to grow value sustainably for all stakeholders by embedding risk management into key decision making processes. The Board’s primary risk management focus is on Group top risks that could materially impact the achievement of our short, medium and long-term objectives to sustainably grow shareholder value. The achievement of these objectives is dependent on the effective delivery of certain key business imperatives, referred to as “aspects.” Within a dynamic strategic context, the identification and definition of these aspects provides the anchor for the Group top risks that are reported to the Board.</p> <p>The Company’s performance against its strategic objectives is extensively reported on in Sasol’s Integrated Report.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • Overview of Sasol and executive summary p.4-7 • How we create value p.14-15 • Creating value using the six capitals, our trade-offs in managing the six capitals, and scoreboard of our six capitals p.16-20 • Our Group top priorities for 2020 p.31 • Mega-trends impacting our strategy p.36-37 • Progressing on our value-based strategy p.38-41 • Managing Group risks strategically p.46-52 • Material matters impacting our strategy p.53-59

Principles	Application	Reference
<p>Principle 5 The Board should ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short-, medium-, and long-term prospects.</p>	<p>The Board, through the Audit Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the annual reports and any other disclosures. The Company complies with all required disclosures.</p> <p>Reporting frameworks and materiality are approved by the Audit Committee to ensure compliance with legal requirements and relevance to stakeholders.</p> <p>The Audit Committee oversees the integrated reporting process and reviews the audited financial statements.</p> <p>Sasol ensures that the annual reports, including the AFS, the Integrated Report, the Form 20-F, sustainability reports and any other relevant information to stakeholders are published on the Company's website, as well as through other media as is appropriate. Further details as to the Company's internal control over financial reporting is set out in Principle 15 below.</p>	<p>2019 Integrated Report (incl. Sustainability Report and Climate Change Report)</p> <ul style="list-style-type: none"> • About this report p. 2-3 • Governance and oversight of risk management p.48-49 • Audit Committee p.63 <p>2019 Form 20-F 2019 Annual Financial Statements Sasol's Investor Centre [click here]</p>
<p>Principle 6 The Board should serve as the focal point and custodian of corporate governance in the Company</p>	<p>The Board has an approved charter which it reviews annually. The charter sets out its governance responsibilities, including the role, responsibilities, membership requirements and procedural conduct. Through the Nomination and Governance Committee, the Board implements and monitors the governance practices within the Group.</p> <p>The Board as well as any director or member of a Board committee may obtain independent, external professional advice at Sasol's expense concerning matters within the scope of their duties and the directors may request documentation from, and set up meetings with, management as and when required.</p> <p>An appropriate governance framework and necessary policies and processes are in place to ensure all entities in the Sasol Group adhere to essential Group requirements and minimum governance standards. As a direct or indirect shareholder, the Company exercises its rights and is involved in the decision-making of its subsidiaries on material matters. Subsidiaries have adopted the governance framework as appropriate and have aligned their MOIs and shareholder agreements with the Group's governance framework. Sasol's governance framework disclosed in its Integrated Report.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • Governance overview p.60-69 <p>Sasol Board Charter [click here]</p>

Principles	Application	Reference
<p>Principle 7 The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively</p>	<p>Effective oversight and decision-making requires a range of perspectives. The Board recognises and embraces the benefits of having a diverse Board, appreciates that diversity at Board level is essential for sustaining a competitive advantage and is committed to ensuring a diverse and inclusive culture at Board level where directors believe that their views are heard, their concerns are attended to free from bias, discrimination and harassment. Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and academic experience and background, enhance the composition of a truly diverse Board. All Board appointments are made on merit, having due regard for the benefits of diversity in its widest sense.</p> <p>In 2017 the Board set a target of 30% representation of women by 30 June 2019. The Board achieved 33% representation in 2018, with five women serving on the Board, three of whom are Black. During May 2019, the Board set new diversity targets for gender and race, targeting a minimum of 40% female directors by 2022 and maintaining a minimum representation of 50% Black directors.</p> <p>The Board comprises a majority of independent non-executive directors.</p> <p>The Board's succession plans aim to achieve an optimal balance between independence and continuity on both the Board and its Board Committees. It is for this reason that the Board extended the tenure of the outgoing Chairman of the Board, the outgoing Lead Independent Director and the Chairman of the Audit Committee beyond the nine years considered the norm for independence in relation to tenure. The Board has determined that directors may serve on the Board for up to nine years, extendable annually up to a maximum of 12 years, and five years as Chairman, extendable annually up to a maximum of seven years.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • Our Board of Directors p.66-69 <p>Sasol Board Charter [click here]</p>
<p>Principle 8 The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties</p>	<p>The Board delegates certain responsibilities to well-structured Board Committees without abdicating accountability. The delegation is formal in terms of Board-approved Terms of Reference for each Committee. The Board appoints the members for the skills required to effectively provide strategic direction to the Sasol Group, as well as monitor and oversee the activities of the Group. The Board receives reports and minutes of each Committee meeting. The Board has established a framework for the delegation of authority to the Joint Presidents and Chief Executive Officers, which also sets out the material decisions in respect of which it has reserved the decision-making authority as the ultimate holding company of the Group. The composition and mandate of the various Board Committees contribute to the effective discharge of the Board's duties and responsibilities to grow and protect value for Sasol's stakeholders.</p>	<p>2019 Integrated Report:</p> <ul style="list-style-type: none"> • The Board and its Committees p.62-65 <p>Sasol Board Charter [click here]</p>

The Board Committees comprise the Audit, Nomination and Governance, Remuneration, Safety, Social and Ethics, Capital Investment and Digital, Information Management and Hedging Committees.

The Committees are appropriately constituted and members are appointed by the Board. The Nomination and Governance Committee annually reviews the composition of Board committees and makes recommendations to the Board as to their composition, including appointment of the chairmen of each committee, taking into account factors such as diversity and skills and the need to create an even spread of power and authority. External advisors, executive directors and members of senior management attend Committee meetings by invitation.

The Board applies its collective mind to the information, opinions, recommendations, reports and statements presented by the chairman of a committee at each Board meeting.

Principle 9
The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness

The Nomination and Governance Committee evaluates the effectiveness and performance of the Board, its committees and the individual directors every second year. The Chairman of the Board, through the Committee and assisted by the Company Secretary, leads the evaluation process. Every alternate year, opportunity is provided for reflection and discussion by the Board of its performance and that of its Committees, its chair and its members as a whole.

Ongoing training and development is an important contributor to an effective Board. The development of industry and group knowledge is a continuous process and directors are briefed on legal developments and changes in the risk and general business environment on an ongoing basis. Newly appointed directors are apprised of Sasol's business and their duties and responsibilities through a structured induction programme which includes site visits, meetings with management and induction material on topics related to, among others, governance and our business.

Focused insight sharing sessions are provided on key topics throughout the year. The Board, its Board Committees as well as any director are entitled to seek independent professional advice concerning the Company's affairs and to gain access to any information they may require in discharging their duties. The Board and its Nomination and Governance Committee specifically consider the independence of directors and their other commitments when they are first appointed, as well as annually, or at any other time when a director's circumstances change and warrant re-evaluation. This is done to determine whether a director has sufficient

2019 Integrated Report:

- Governance overview p.60-69
- Sasol Board Charter**
[\[click here\]](#)

time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily.

Principle 10
The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

The role and functions of the Joint Presidents and Chief Executive Officers (JCEOs) are specified in the Board Charter and the performance of the JCEOs is evaluated by the Board against the criteria specified. The Board appoints members of the Group Executive Committee (GEC) upon recommendation of the JCEOs and the Board's Nomination and Governance Committee and, with the assistance of the Nomination and Governance Committee, is responsible for ensuring that succession plans are in place for the position of JCEOs and other members of the GEC.

The Board reviews and approves the Sasol and Sasol Group Limited and Delegations of Authority in terms of which matters are delegated to the JCEOs. The JCEOs are jointly and severally the highest executive decision-making authority of the Group and are jointly and severally delegated with authority from and are accountable to the Board for the successful implementation of the Group strategy and the overall management and performance of the Group, consistent with the primary aim of enhancing long-term shareholder value. The JCEOs can act separately or jointly.

Specific matters have been reserved that require a joint decision by the JCEOs. The Board has agreed to the manner in which to resolve a deadlock in respect of any matter pertaining to their delegated authority or regarding the development and implementation of the Group's strategy and the overall management and performance of the Sasol Group. In terms of the delegation of authority framework, the GEC supports the JCEOs in the implementation of the Group's strategy and the overall management and performance of the Sasol Group. The JCEOs may sub-delegate all matters not specifically reserved for decision-making by the Board or shareholders. The JCEOs are not members of the Remuneration, Audit or Nomination and Governance Committees, but attend by invitation any meeting, or part thereof, as needed to contribute pertinent insights and information.

Mr V D Kahla, the Executive Vice President: Advisory, Assurance and Supply Chain, is the Company Secretary duly appointed by the Board in accordance with the Companies Act, 2008. Mr Kahla is not a director of the Company. The Board annually considers the competence, qualifications and experience of the Company Secretary and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary. Mr Kahla holds BA and LLB degrees and, in his professional career of over two decades, he has held several senior executive leadership roles covering, amongst others, legal and regulatory services, corporate governance, assurance services, compliance and risk

2019 Integrated Report:

- Statement of the Joint Presidents and Chief
- Executive Officers p.28-30
- Governance and oversight of risk management p.48
- Our Group Executive Committee p.70-71

Sasol Board Charter
[\[click here\]](#)

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management, within the private and public sectors. The Company Secretary has a direct channel of communication to the Chairman, while maintaining an arm’s-length relationship with the Board and the directors as far as reasonably possible. The role and responsibilities of the Company Secretary are set out in the Board Charter.

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Principle 11
The Board should govern risk in a way that supports the Company in setting and achieving its strategic objectives

The Board retains overall responsibility for the governance of risk, with delegated responsibility to management to implement and execute effective risk management, and approves Sasol’s Risk Policy that sets the direction for how risk management should be approached and addressed in the Company. Sasol’s Risk Policy re-affirms that the governance of risk takes into account dealing with uncertainty in the business environment by aiming to both minimise downside and capitalise on upside potential as it relates to our business objectives, that is, both opportunities and associated risks. Sasol is committed to effective risk management in pursuit of its strategy and business objectives, with the ultimate aim to grow value sustainably for all stakeholders by embedding risk management into key decision-making processes and day-to-day activities. The Board approves and monitors Sasol’s Group top risk profile. The Board also approves Sasol’s financial risk appetite and tolerance levels, and aims to manage relevant top risks within these levels. The Board considers the risk environment from time to time, as deemed appropriate and based on materiality and changes in the external and internal environments and operating context. Sasol promotes a culture of risk-awareness where all significant risks across the enterprise are assessed and managed in accordance with Sasol’s Risk Policy and supporting frameworks, processes and methodologies.

To support the Board in giving effect to its governance of risk responsibilities, the Board has implemented a “levels of work” detailing risk management, assurance and reporting responsibilities both at Board and Management level, spanning the Board, Board Committees, Management and Management Committees. Such risk management responsibilities are aligned to the each Committee’s terms of reference and mandate. In monitoring and providing oversight on Sasol’s Group top risks, each committee will consider potential Group top risks and/or opportunities as appropriate.

Sasol has developed and is implementing an Enterprise Risk Management Framework (ERMF) which is informed by Sasol’s Risk Policy, and aligned to King IV governance principles and recommended practices as they relate to risk management. Sasol’s ERMF is also aligned to best practice ERM frameworks, specifically the Committee of Sponsoring Organisation’s ERM Integrated Framework and the International Standards Organisation’s Risk Management Guideline. The Board is provided with assurance that Sasol’s approved

2019 Integrated Report (incl. **Sustainability Report** and **Climate Change Report**)

- Internal controls and combined assurance framework p.2
- Managing Group risks strategically p.46-52
- Material matters impacting our strategy p.53-59

2019 Form 20-F

ERMF, supporting processes and methodology remain in accordance with best practice and good governance requirements.

Sasol's approach to increasing the probability of anticipating unpredictable risks includes regular monitoring of key developments in the external and internal environment and operating context, as well as, identifying and monitoring developments associated with risks on its "watch-list" (emerging risks). At a Group level, Sasol is implementing actions to strengthen its business continuity capabilities with a specific focus on Group crisis management. The intention is to then further strengthen business continuity arrangements to better position the Company to operate under conditions of volatility, respond to and recover from threats with high impact potential.

Sasol is implementing an enhanced approach to managing top risks at Board and Management level. Key features of the enhanced approach include strengthening the link between risk and strategy through the identification of key business imperatives (referred to as "Group aspects") aligned to Sasol's strategy and business objectives; anchoring of Sasol's Group top risks in the "Group aspects"; ongoing review of the appropriateness and effectiveness of identified key responses to the top risks; linking of associated performance indicators to the Group top risks; and implementation of the "levels of work" as previously mentioned. Furthermore, combined assurance management is being implemented to ensure assurance of key responses related to the Group top risks across the different levels of assurance providers.

The Board approves an annual risk management plan, with annual plan deliverables that aim to ensure that adequate and effective processes and systems are in place to understand, manage and monitor risks or uncertain events that may impact Sasol's strategy and business objectives, and assist governing bodies to govern risk in a way that supports the organisation in setting and achieving its strategy and business objectives; to ensure that adequate and effective responses or mitigation strategies in place to respond to risks or uncertain events; and to ensure communication of risks or uncertain events clearly to internal and external stakeholders.

Management provides feedback to the Board on the effectiveness of the risk management process. Internal Audit undertakes an annual audit of the ERM process in Sasol.

Sasol's ERMF, supporting processes and methodology is being rolled-out to all of Sasol's Operating Model Entities (OME) - and entails the determination and development of OME top risk profiles. Risks are considered at a Group level through the management of Group top risks and risks on the "watch-list" (emerging risks) that may potentially impact Sasol's ability to

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achieve its strategy and business objectives. Risks at OME level are considered in achieving OME business objectives that are aligned to the Sasol Group strategy. Risks at the process level also include the management of operational, project, key Group-wide initiatives, financial and legal compliance risks.

Oversight of risk management at an OME level takes place through the accountable OME management and management committees, supported by the Sustainability and Risk Function headed by Sasol’s Chief Sustainability and Risk Officer, who has suitable experience and is responsible for ensuring that an effective ERM process is in place across the Group.

Sasol ensures appropriate disclosures in relation to risk where such disclosures include arrangements for governing and managing risk; top risks facing the Group including risks on the “watch-list” (emerging risks); and areas of current and future focus. For more information regarding the Group top risks in Sasol and other relevant risk disclosures, refer to the Integrated Report, Sustainability Report, Climate Change Report and the Form 20F filed with the SEC.

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Principle 12
The Board should govern technology and information in a way that supports the Company in setting and achieving its strategic objectives

The Board is ultimately accountable for the governance of information and technology management and the Digital, Information Management and Hedging Committee supports the Board in this regard.

The Information Management (IM) function is accountable to set strategic direction and provide operational governance of IM, which includes IT, in the Sasol Group.

Assurance (internal and external) is provided on IM controls, that they are in place and are operating effectively; IM risks are addressed, and the return on major IT investments, aligned to Sasol’s strategy, are monitored. External auditors and internal audit perform assessments as part of their audit of IM-related controls. IM has adopted the Combined Assurance Model to assess the complete assurance Landscape. All significant IM-related audit findings are reported to the Audit Committee and the Board and managed accordingly.

The IM strategy is aligned to Sasol business needs and sustainability objectives. The IM charter is in place and best practice frameworks have been adopted, including Information Technology Infrastructure Library, COBIT, ISO27001 and ISO27002.

The IM risk management framework is aligned to the Group risk management framework and includes measures for cyber security, third-party management, asset management, service

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 • p.38, 51, 64

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continuity and disaster recovery. All technology solutions impacting financial reporting are part of the internal and external auditing scope.

Measures to ensure compliance to all relevant laws, information security and the protection of personal information are in place. IM governance has been established to guide the acceptable use of IM's technology and information services. Internal review of existing Technology and Information Governance controls indicate adequacy of design and operating effectiveness.

Principle 13
The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen

Sasol policy requires all Group companies and their directors and employees to comply with all applicable laws. Legal compliance systems and processes are in place and are continuously improved to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Sasol does business and also to ensure appropriate responses to changes and developments in the regulatory environment.

The Nomination and Governance Committee receives regular reports on compliance matters and the Combined Assurance and Disclosure Committee oversees the Group's legal compliance programme. Reports on those legal and regulatory matters that have an impact on the financial statements, are presented to the Audit Committee. Specific areas of law have been identified as key Group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas. Competition law, anti-bribery and anti-corruption laws, sanction laws and safety, health and environmental laws, identified as key Group legal compliance risk areas, remain our focus.

Sasol has a compliance department headed by a suitably skilled and experienced Chief Compliance and Ethics Officer who reports to the Senior Vice President: Governance, Compliance and Ethics.

Multi-disciplinary compliance programmes are in place and we identify changes in the regulatory landscape to ensure compliance with applicable laws and good governance practices. We set the appropriate tone at leadership level through ethical codes of conduct, policies and procedures and we conduct annual compliance training and confirmations and adhere to our listing requirements.

2019 Integrated Report:

- Managing Group risks strategically p.51
- Audit Committee and Nomination and Governance Committee p.63-64

Principle 14
The Board should ensure that the

Sasol's Remuneration Committee (the Committee) is tasked by the Board to independently approve and oversee the implementation of a remuneration policy (the policy) that will encourage the achievement of Sasol's strategy and grow stakeholder value sustainably

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<p>Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium-, and long-term</p>	<p>through fair, responsible and transparent remuneration practices. The Committee has considered the meaning of ‘fair, responsible and transparent remuneration’ and adopted a definition thereof which is included in the policy.</p> <p>Sasol has an embedded rewards strategy and policy which translate into competitive yet appropriate reward outcomes. The policy addresses arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation. This is done through the Committee also having oversight of the minimum wage and benefits offered to permanent employees. The Committee ensures a balanced mix of rewards which is appropriate for the various employee structures globally. Incentive scheme targets and design principles are reviewed annually to ensure ongoing relevance in the context of the markets within which the Company operates and the business objectives. Incentive targets consist of a balanced mix of financial and non-financial targets that cover the various contexts and capitals appropriate to the short- and long-term incentives including ESG targets. Claw back and malus provisions and minimum shareholding requirements are dictated in the policy.</p> <p>The Committee has overriding discretion to mitigate the risk of unjustified rewards. The policy and the implementation report are reported on in detail in the remuneration report section of the AFS and a summarised version of this report is included in the Integrated Report. The remuneration report consists of a Background statement, an overview of the main provisions of the policy and an implementation report with tables detailing the single total figure of remuneration for all directors and prescribed officers. The Chairman highlights the internal and external factors that influenced remuneration decisions during the course of the financial year, in the Background statement.</p> <p>The policy aims to enable the attraction and retention of skilled resources and results in balanced rewards aligned with shareholder interests. The rationale for benchmarks and market comparisons are covered. The policy is designed to achieve the following objectives:</p> <ul style="list-style-type: none"> • To attract, motivate, reward and retain human capital. • To promote the achievement of strategic objectives in a manner which is aligned with the Company’s approach to risk management. • Recognition for equal pay for work of equal value. • To promote positive outcomes aligned with short, medium and long term objectives, an ethical culture and responsible corporate citizenship. Fair and reasonable remuneration practices for executives in the context of overall remuneration in the Company 	<ul style="list-style-type: none"> • Report of the Remuneration Committee p.74 • Implementation report p.80 <p>2019 Notice of Annual General Meeting</p>

The basis for setting fees for non-executive directors are included. Sasol discloses the remuneration of each individual executive and non-executive director as well as all prescribed officers, in the Implementation Report through a single figure table with supplementary tables providing more detail. The outcome of incentive plans relative to the targets set at the start of the financial year, are also disclosed.

Since 2011, the Remuneration Committee has actively engaged with Sasol's large institutional investors considered to be important stakeholders and the policy has undergone significant changes over this period. The Remuneration Committee considers shareholders' contributions thoroughly and incorporates them into the policy where these enhancements align with the Group's strategy.

At the November 2018 AGM, 78.53% of votes cast were in favour of the policy and 75.81% of votes cast were in support of the implementation report. As a result of the decline in support for the non-binding advisory votes compared for 2017, the Remuneration Committee Chair met with institutional investors to obtain feedback on their concerns. In line with the recommended practices in King IV, at the AGM in November 2019, both the policy and the implementation report will again be tabled for separate non-binding advisory votes by the shareholders.

The policy further provides for the measures that Sasol commits to take in the event that either the policy or the implementation report, or both, are voted against by 25% or more of the votes exercised.

Principle 15
The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and external reporting purposes

The Audit Committee is responsible for the quality and integrity of Sasol's integrated reporting. The Board, with the support of the Audit Committee, satisfies itself that the combined assurance model is effective and that it incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.

The Group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as and when they are identified.

Management assessed the effectiveness of the Company's internal control over financial reporting (ICOFR) as of 30 June 2019, and also reassessed the effectiveness of the Company's ICOFR as of 30 June 2018, based on information learned subsequent to that

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- Internal controls and combined assurance framework p.2
- Managing Group risks strategically p.46-49
- The Board and its Committees p.62-65
- **2019 Annual Financial Statements**

fiscal year. The conclusion of the assessments are detailed in the Annual Financial Statements and form 20F.

- 2019 Form 20-F

A combined assurance approach has been implemented that assists in optimising the coverage obtained from the various levels of assurance to provide the Board / Board Committees with relevant and effective assurance indicating whether the Company's significant risks are adequately mitigated to acceptable levels. Significant risks and their mitigating controls are identified and controlled by management, within a risk framework determined by the Board. The traditional three lines of defence have also been expanded as appropriate, in accordance with the recommended practices.

The Sasol Assurance Services function covers Sasol's operations globally and is responsible for amongst others, assisting the Board and management in maintaining an effective internal control environment, ensuring the integration of assurance provided and monitoring the adequacy and effectiveness of combined assurance.

An Internal Audit Charter is in place and outlines the responsibilities of the internal audit function. The Audit Committee has been delegated the responsibility for overseeing that assurance services are executed in line with the charter.

The three year rolling audit plan, approved by the Audit Committee and updated as appropriate to ensure it is responsive to change, is based on an assessment of risk areas identified by internal audit and management, as well as focus areas highlighted by the Audit Committee, GEC and management. It includes activities that support the achievement of an effective internal control environment, which supports the integrity of information.

A Chief Assurance Officer is appointed, and may be removed, by the Audit Committee. He reports to the Chairman of the Audit Committee on the performance of duties and functions that relate to assurance services and the Internal Audit Charter gives him direct access to the Joint CEOs, the CFO and the chairmen of the other Board committees. He administratively reports to the EVP: Advisory, Assurance and Supply Chain. He functions independently from management and has the necessary authority, which includes unfettered access to meetings, minutes, documentation and risk registers of Sasol's businesses and functions.

His performance is evaluated annually by the Audit Committee who ensures that he has the necessary competence and independence. The Committee also assesses quarterly whether the necessary arrangements are in place to ensure that adequate skills and resources are in place and that assurance services is supplemented as required by specialist, and as applicable, external services.

The Chief Assurance Officer's annual overall statement as to the effectiveness of the organisation's governance, risk management and control processes, in terms of the requirements of the King IV report, is included in the Annual Financial Statements.

The internal audit function is required to undergo an independent quality review at least every four years and was subjected to such review in 2018. It was concluded that the function generally conforms to the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

Principle 16
In the execution of its governance role and responsibilities the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time

Sasol strives to ensure a systematic and integrated approach to stakeholder engagement across the Group, to enable increased assurance to the Board that all stakeholder issues have been identified, prioritised and appropriately addressed. The Board, through the Safety, Social and Ethics Committee, as part of its social and ethics mandate under the Companies Act, considers issues around stakeholder perceptions. The Committee has oversight of stakeholder engagement and management. Through regular reporting to the Safety, Social and Ethics Committee, the Board is equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making.

It is a business imperative that Sasol understands and is responsive to the needs and interests of its key stakeholder groups which includes: employees and their representatives; government and regulators; shareholders; the communities around our operations; suppliers and customers; and business partners. The individual stakeholders within these groups are highly diverse, with sometimes competing interests. Sasol is therefore constantly seeking to improve the way in which we engage with our stakeholders to effectively respond to this complexity and diversity.

Interaction with our stakeholders happens during the normal course of business at multiple levels across the Sasol Group and we strive to resolve disputes with its stakeholders effectively and expeditiously. The role of the Corporate Affairs Function, the custodian of the stakeholder engagement approach, associated processes and standards, ensures a coordinated and consistent approach across the Group. The Function acts as an enabler to the organisation with the goal to systematically embed and continuously improve how stakeholders are managed.

To ensure the Company communicates with its smaller shareholders and those stakeholders who lack access to electronic media, the Company publishes and reports on details of its

2019 Integrated Report:

- How we create value p.14
- Delivering on our stakeholder commitments p.24-27
- The Board and its Committees p.62-65
- Report of the Safety, Social and Ethics Committee p.72-73
- Report of the Remuneration Committee p.74

Sasol's Investor Centre [\[click here\]](#)
Sasol in Society [\[click here\]](#)

Principles**Application****Reference**

corporate actions and performance (including its interim and final financial results) in the main South African daily newspapers. The Company also publishes its most recent financial and operational performance and provides recent historical information, including its annual reports, on its website. Sasol invites all shareholders to attend its AGM and also facilitates participation by way of focused proxy solicitation. Electronic participation is available at shareholders meetings. The Joint CEOs, the CFO and Investor Relations function conduct regular roadshows on the Group's performance and strategy to analysts, institutional investors and the media in South Africa, North America and Europe. Sasol's Investor Relations function maintains regular contact with the investor community and analysts.

The Board ensures that proactive engagement with shareholders by the Company, including engagement at the Company's AGMs. All directors are available at the AGM in order to respond to stakeholder queries on how the Board executed its duties.
