

## **TERMS OF REFERENCE**

### **SASOL LIMITED**

#### **NOMINATION AND GOVERNANCE COMMITTEE**

##### **1. PURPOSE AND OBJECTIVES**

- 1.1 The Nomination and Governance Committee (the Committee) has been appointed by the Sasol Limited Board of Directors (the Board) as a committee of the Board to attend to Sasol Limited's (the Company) activities in respect of the matters described below, including those relating to governance, compliance, executive appointments and succession planning.

##### **2. CONSTITUTION AND MEMBERSHIP**

- 2.1 The Committee shall comprise no less than three directors appointed by the Board, the majority of whom shall be independent non-executive directors.
- 2.2 The Chairman of the Committee shall be the Chairman of the Board.
- 2.3 The Company Secretary of the Company shall be the Committee Secretary.

##### **3. MANDATE**

###### **3.1 Governance, Board and Board Committees**

The Committee is responsible for:

- 3.1.1 considering, at least annually, the extent to which the general corporate governance mechanisms and framework of the Company are appropriate and effective, in view of developments in the Company, its business environment and new corporate governance requirements and benchmarks, and shall make recommendations to the Board, in line with the Company's limits and delegations of authority;
- 3.1.2 making recommendations to the Board on the appointment and re-appointment of executive and non-executive directors and making recommendations on the balance between executive and non-executive directors;
- 3.1.3 annually reviewing the independence of non-executive directors, taking into account all applicable corporate

- governance requirements, and making recommendations to the Board, if necessary;
- 3.1.4 considering and making recommendations to the Board on the appointment of members of the Group Executive Committee (GEC);
  - 3.1.5 from time to time review the Board structure, size and composition, taking into consideration the Board's succession plans, and make recommendations to the Board with regards to any adjustments that are deemed necessary in support of the promotion of age, racial and gender diversity and diversity in respect of the relevant skills, experience, business, geographic and academic backgrounds of Board members;
  - 3.1.6 identifying and nominating candidates for approval by the Board to fill Board and Committee vacancies, as and when they arise, as well as putting in place succession plans, in particular for the Chairman of the Board, the Lead Independent Director and the President and Chief Executive Officer (CEO);
  - 3.1.7 recommending for re-election directors that are retiring by rotation, or who are retiring or will retire in terms of clause 22 of the Memorandum of Incorporation (MOI);
  - 3.1.8 annually reviewing the number, structure, composition, expertise and Terms of Reference of Board Committees and making recommendations to the Board in this regard;
  - 3.1.9 reviewing and approving the annual corporate governance report, considering any significant differences reported in the annual written affirmation to the New York Stock Exchange<sup>1</sup> (NYSE) and considering any area of non-compliance with the Johannesburg Stock Exchange (JSE) listings- and disclosure requirements, or a significant deficiency in the control environment pertaining to this area as reported in the JSE annual compliance certificate or any regulatory filing or public disclosure relating to the Company's corporate governance practices<sup>2</sup>;
  - 3.1.10 assisting the Chairman and the Board in evaluating the performance of the Board, its committees and individual directors;

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<sup>1</sup> Authority to approve the annual written affirmation to the NYSE delegated to the Company Secretary. The SVP, Governance, Compliance and Ethics is authorised to file the written affirmation with the NYSE.

<sup>2</sup> Authority to certify to the JSE that Sasol and its directors have complied with all JSE listings- and disclosure requirements delegated to the Company Secretary, including the authority to sign on behalf of Sasol and its directors, subject to all directors signing the required compliance declaration.

- 3.1.11 ensuring continuous professional development of directors and, where necessary, the implementation of mentorship programs;
- 3.1.12 considering any matter regarding the effective governance and management of the Sasol Group and making such recommendations to the Board as it may deem appropriate; and
- 3.1.13 annually considering and approving the dates for the Company's Board and Board Committee meetings.

## **3.2 Legal compliance**

The Committee will be responsible for:

- 3.2.1 monitoring compliance with the requirements of the MOI;
- 3.2.2 monitoring compliance with jurisdictional legal requirements including applicable NYSE and JSE requirements and rules;
- 3.2.3 monitoring compliance with the policies of the Company in respect of insider trading;
- 3.2.4 reviewing declarations of interests of directors;
- 3.2.5 considering and making recommendations on any existing or potential conflict of interest or questionable situations of a material nature;
- 3.2.6 reviewing and, where necessary make recommendations to the Board on all legal and regulatory matters including legal and compliance frameworks and processes; and
- 3.2.7 providing reasonable assurance regarding the quality, integrity and reliability of Sasol Limited's compliance risk management by:
  - (a) approving and monitoring compliance with the group's Compliance Policy and frameworks; and
  - (b) ensuring 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;
- 3.2.8 informing the Audit Committee of legal, regulatory and compliance matters which may have an impact on the financial statements.

### **3.3 Risk management**

The Committee supports the Board in ensuring effective risk management oversight, specifically in relation to material risks within its scope (Group top risk themes allocated to the Committee). The Committee gives effect to its responsibility through:

- 3.3.1 ensuring the effective monitoring of the allocated Group top risk themes, i.e. risk themes allocated to the Committee;
- 3.3.2 considering and reviewing management's feedback and/or assurance provider reports on the design and operating effectiveness of existing key risk responses (focus on major or significant deficiencies), aligned to the Combined Assurance Plans;
- 3.3.3 considering management updates on action plans identified to remediate any key responses with significant or major deficiencies;
- 3.3.4 considering management's feedback on key developments that have a potential material impact on the allocated Group top risk themes (materiality informed by the risk materiality lens applied at Group level), as well as the appropriateness of existing key responses or any new/additional key responses required; and
- 3.3.5 providing feedback through the Committee Chairperson to the Board on any material risk related matters, specifically the key responses with major or significant deficiencies, key developments with a material impact, any new/additional key responses required or any potential breach of approved financial risk appetite and tolerance levels (as relevant and appropriate).

## **4. REMUNERATION**

- 4.1 Non-executive directors who are members of the Committee will be paid such additional remuneration for their service as members of the Committee, as may be determined by the Board and approved by shareholders.
- 4.2 Such special remuneration shall be in addition to the annual fees payable to directors.

- 4.3 Those members of the Committee who are not employees or non-executive directors of the Company shall be paid such special remuneration in respect of their appointment as shall be fixed by the Board.

## **5. MEETINGS AND PROCEEDINGS**

- 5.1 Meetings of the Committee will be held as the Committee deems necessary, provided that the Committee shall meet at least four times each year. Meetings should be organised so that attendance is maximised. The Chairman of the Committee or any member of the Committee, with the Chairman's consent, may call a special meeting at any other time.
- 5.2 The notice of each meeting of the Committee, confirming the venue, time and date, and enclosing an agenda of items to be discussed shall other than under exceptional circumstances, be forwarded to each member of the Committee not less than five working days prior to the date of the meeting.
- 5.3 The meetings of the Committee may be held in person, by telephone, by telepresence or such other form of long-distance conference facility, as the circumstances may require (such person shall be deemed as being present at the meeting), provided that the required quorum is met.
- 5.4 The quorum for decisions of the Committee shall be a majority of independent non-executive directors present for that particular decision. A decision shall be deemed as passed if a majority vote on the matter for decision is passed by the members present at the Committee.
- 5.5 A decision that could be voted on at a meeting of the Committee may instead be adopted by written consent of a quorum of members, given in person, or by electronic means, provided that each member received notice of the matter to be decided. A decision made in such manner has the same effect as if it had been approved at a meeting.
- 5.6 Where decisions are required by way of written resolution, a quorum shall constitute a majority of independent non-executive directors, one of whom shall be the Committee's Chairman.
- 5.7 The CEO and any other person identified by the Committee will attend Committee meetings as and when required by the Committee.
- 5.8 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's MOI regulating the meetings and proceedings of directors and committees.
- 5.9 The Committee Secretary shall take minutes of meetings. Minutes of all meetings shall be circulated to all the members of the Committee, and may

also, if the Chairman of the Committee so decides, be circulated to other members of the Board. Any director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the Committee's minutes.

## **6. LIMITED LIABILITY**

- 6.1 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members, with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care, skill and judgment, in accordance with their legal and statutory obligations.
- 7.2 Subject to the above provisions and any relevant legislation and codes of best practice, the members of the Committee shall not attract any personal liability arising from their appointment and the Company shall indemnify members of the Committee to the extent possible in terms of its approved directors' and officers' liability insurance coverage.

## **7. GENERAL**

- 7.1 The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 7.2 The Board will ensure that the Committee has access to professional advice, both internal and external to the Company, in order to perform its duties.
- 7.3 The Committee may require from any director, prescribed officer or employee of the Company any information or explanation necessary for the performance of the Committee's functions.
- 7.4 These Terms of Reference shall be reviewed at least annually, and should be amended as and when required, subject to the approval of the Board.
- 7.5 The Committee shall assess its and its members' effectiveness at least once every two years.
- 7.6 The Chairman of the Committee, or a person nominated by him/her, will report to the shareholders at the Company's annual general meeting on any matter within its mandate.