

TERMS OF REFERENCE

SASOL LIMITED

REMUNERATION COMMITTEE

1. PURPOSE AND OBJECTIVE

- 1.1 The Remuneration 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.

2. CONSTITUTION AND MEMBERSHIP

- 2.1 The Committee shall comprise no less than three independent non-executive directors.
- 2.2 The Chairman of the Board is not eligible to be appointed as Chairman of the Committee.
- 2.3 A Committee Secretary shall be appointed in terms of the Sasol Limited and Sasol Group Delegation of Authority

3. MANDATE

3.1 The Committee attends to matters prescribed below:

- 3.1.1 acting as Remuneration Committee of the Company and all direct and indirect wholly-owned subsidiaries of the Company and all other subsidiaries and joint ventures of Sasol Limited (the Group) in respect of which Sasol Limited has the right, or power, to fulfill the functions as detailed in this Terms of Reference;
- 3.1.2 assisting the Board in exercising its function of ensuring that the Group remunerates its employees fairly, responsibly and transparently by, inter alia, implementing affordable, competitive and fair reward practices so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long term;
- 3.1.3 making recommendations to the Board in respect of the remuneration of the executive directors including the President and Chief Executive Officer (CEO) and the Company Secretary;
- 3.1.4 determining the remuneration of Executive Vice Presidents (EVP) and approving any payments / increases made;

- 3.1.5 considering recommendations on non-executive directors' fees made by the internal remuneration specialists and management, and making recommendations to the Board for approval by shareholders;
- 3.1.6 provide a channel of communication between the Board and management on remuneration matters.

3.2 The key decision rights¹ mandate of the Committee are:

- 3.2.1 approve material² human resources policies for the Group;
- 3.2.2 approve the principles for the mix between guaranteed and variable components of remuneration for all levels of employees;
- 3.2.3 approve proposals for annual salary adjustments in the Group;
- 3.2.4 approve the benchmarking methodology adopted in the Group for the setting of base salaries and incentive target amounts;
- 3.2.5 approve all retention schemes, with or without corporate performance targets;
- 3.2.6 on a quarterly basis review the list of participants in the Sasol retention scheme as approved by the CEO within the parameters of the Retention policy;
- 3.2.7 review standard conditions of service and benefits offered to employees, for example: leave, housing, motor vehicles and others;
- 3.2.8 annually consider the status of in-house pension funds, provident funds, medical aid, and other similar schemes;
- 3.2.9 approve proposals on short- and long-term incentive schemes (design principles, target setting and allocation principles) and where appropriate make recommendations to the Board for approval by the shareholders;
- 3.2.10 determine and approve any criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities and confirm that there is alignment between individual performance and rewards recommended to the Board;
- 3.2.11 review and approve corporate goals and objectives relevant to the remuneration of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and recommend the remuneration level of the CEO based on this evaluation;

¹ In line with delegated authority and responsibilities as provided for in the Sasol Limited and Sasol Group Limits and Delegation of Authority, from time to time

² Materiality is determined by the Sasol Limited Board

- 3.2.12 ensure that there is alignment between individual performance and rewards;
- 3.2.13 review and approve the terms and conditions of executive directors' and EVPs' service agreements;
- 3.2.14 approve the fair value of long-term incentive grants offered to participants of the company's employee share scheme (excluding the Company Secretary, executive directors and the CEO);
- 3.2.15 approve the actual long-term incentive grants offered to EVPs and recommend to the Board, long-term incentive grants offered to the Company Secretary, executive directors and the CEO;
- 3.2.16 ensure that the annual remuneration report, which includes a background statement, the Group's remuneration policy and an implementation report forms part of the annual Integrated Report³, providing sufficient level of disclosure as required in terms of the King Report on Corporate Governance for South Africa 2016 (King IV™).
- 3.2.17 approve the delegation in writing of any of its functions and the power to sign documents to implement any of its decisions;
- 3.2.18 obtain assurance in respect of the internal and disclosure controls over reporting on matters for which the Committee has responsibility; and
- 3.2.19 assess the performance of the Committee and its members at least once every two years.

3.3 The Committee will apply the following principles in exercising its mandate:

- 3.3.1 the Committee will co-ordinate its activities with the Chairman of the Board and the CEO;
- 3.3.2 the broad framework and cost of executive remuneration should be a matter for the Board on advice of the Committee; and
- 3.3.3 the Committee will liaise with the Board in relation to the preparation of the Committee's remuneration report and referral thereof to shareholders as may be required by the law or any applicable regulatory requirements.

³ King IV defines integrated reporting as "a process founded on integrated thinking that results in a periodic integrated report by an organisation about value creation over time. It includes related communications regarding aspects of value creation. An integrated report could be a standalone report which connects the more detailed information in other reports."

3.4 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:

- 3.6.1 ensuring the effective monitoring of the allocated Group top risk themes, i.e. risk themes allocated to the Committee;
- 3.6.2 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;
- 3.6.3 considering management updates on action plans identified to remediate any key responses with significant or major deficiencies;
- 3.6.4 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
- 3.6.5 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 AND AUDIT

- 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.

5. MEETING AND PROCEEDINGS

- 5.1 Meetings of the Committee will be held as the Committee deems necessary, provided that the Committee will meet four times each year. Meetings should be organized so that attendance is maximised. The Chairman of the Committee or any member of the Committee 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 two 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 the 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, of whom one shall be the Committee's Chairman;
- 5.7 The Committee shall normally invite the Chairman of the Board (if not a member of the Committee) and the CEO to attend meetings to discuss the performance of other executive directors and to make proposals as necessary; and
- 5.8 The Chairman (or in his absence, an alternative member) of the Committee shall attend the annual general meeting and be prepared to answer questions concerning the remuneration and/or fees of directors or any other questions that may arise from the Committee's remuneration report.
- 5.9 Unless varied by these Terms of Reference, the Company's Memorandum of Incorporation (MOI) regulating the meetings and proceedings of directors and committees, will govern meetings and proceedings of the Committee.
- 5.10 The Committee Secretary shall take minutes of meetings. Any director may, provided that there is no conflict of interest and with the consent of the Chairperson, obtain copies of the Committee's minutes; and
- 5.11 No Committee attendee shall participate in any discussion or decision in respect of their own individual remuneration.

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.
- 6.2 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 will have access to professional advice both internal and external to the Company in order for it to perform its duties and will ensure in selecting such external adviser that the appointee meets the independence tests as stipulated in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; and
- 7.3 Committee will annually review these terms of reference and make recommendations with respect to amendments, if any, to the Nomination and Governance Committee for recommendation to the Sasol Limited Board for approval.

Glossary of Acronyms used in Remuneration management

Acronym	Description
BU	Business Unit
CPT	Corporate Performance Targets applicable to Long Term Incentive Plans
CR	Compa ratio referring to the relative positioning of remuneration against a reference point within a pay band
EVP	Employee Value Proposition
FCD	Functional Core Division referring to positions forming part of "Head Office"
FTE	Full Time Equivalent
GEC	Group Executive Committee
HG	Hay Grade
LTIP	Long Term Incentive Plans referring typically to SARs, MTIs and the previous Share Option plan
LWDCR	Lost work day case rate referring to a measure used in Safety
LQ	Lower quartile also referred to as the 25 th percentile of a set of data points
MSP	Monthly Salaried Personnel (Bargaining Unit) within a South African context
MTI	Medium Term Incentive Scheme referring to a full value phantom share scheme with a vesting term of 3 years of which a name change to the Sasol Long Term Incentive Scheme, which was approved by the Committee in September 2014 and September 2016
LTI	
NPE	Non-Permanent Employee
OBU	Operating Business Unit
RCR	Recordable Case Rate used as a measure in Safety
Ref Sal	Reference salary referring to the median pay point per broad band
ROH	Regional Operating Hub
SAR	Share Appreciation Right Scheme referring to cash settled share options that vest over either a 2,4,6 or 3,4 & 5 year period with a life of 9 years
SBU	Strategic Business Unit
SP	Salaried Personnel (Non-Bargaining Unit) within a South African context
STI	Short Term Incentive Scheme referring to a cash bonus calculated in relation to the achievement against certain predetermined targets over a 12 month period
Total cost to company	Total Guaranteed Package plus the cost of variable pay plans
TGP	Total Guaranteed Package referring to base salary plus the cost of employer contributions to the benefit funds and a 13 th cheque
UQ	Upper quartile or 75 th percentile of a set of data points