

SASOL INZALO GROUPS LIMITED (RF) (“the Company”)

SOCIAL AND ETHICS COMMITTEE: TERMS OF REFERENCE

The Social and Ethics Committee (“the Committee”) has been constituted by the Sasol Inzalo Groups Limited (RF) Board (“the Board”) as a committee of the Board to monitor the Company and its subsidiary’s activities in respect of the matters described more fully below.

1. MEMBERSHIP

- 1.1 The Committee shall consist of not less than three directors or prescribed officers of the Company appointed by the Board, at least one of whom shall not have been involved in the day-to-day management of the Company’s business, and must not have been so involved within the previous three financial years;
- 1.2 The chairman of the Committee shall be elected annually by the Committee;
- 1.3 The Company Secretary shall be the Committee secretary.

2. FUNCTIONS

- 2.1 The Committee will perform the functions as set out in section 72(4)(a) of the Companies Act, 2008 read with regulation 43 of the Regulations made thereunder, for the Company and its subsidiary as set out in Appendix A);
- 2.2 In performing the functions as reflected above, the Committee shall be entitled to place reliance on the work and reporting of any group function of Sasol Limited or committee of the Sasol Limited Board that has responsibility for any function falling within the role of the Committee;
- 2.3 The Committee will be responsible for oversight over the Company’s shareholder engagement.

3. MEETINGS

- 3.1 The Committee shall meet at least once each year. Meetings should be organised so that attendance is maximised and so that sufficient time is available to report back to the Board on its functions;
- 3.2 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 three working days prior to the date of the meeting;
- 3.3 The quorum for decisions of the Committee shall be any two directors or prescribed officers, as the case may be, [considering the composition under 1.1] present throughout the meeting;
- 3.4 The following persons will attend Committee meetings as and when required by the Committee:

- Sasol Limited Senior Vice President for Stakeholder Management or his/her designee;
- Sasol Limited Senior Vice President for Human Resources or his/her designee;
- Sasol Limited Senior Vice President for Safety, Health and Environmental matters or his/her designee; and
- Sasol Limited Senior Vice President for Governance, Compliance and Ethics or his/her designee.

4. PROCEEDINGS

- 4.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Company's memorandum of incorporation regulating the meetings and proceedings of directors and committees;
- 4.2 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.

5. REMUNERATION

Members of the Committee will be paid such additional remuneration for their service as members of the Committee as may be determined by Sasol Limited.

6. GENERAL

- 6.1 The Committee shall draw matters from within its mandate to the attention of the Board as occasion requires;
- 6.2 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;
- 6.3 The Board will ensure that the Committee has access to professional advice both inside and outside the company in order to perform its duties;
- 6.4 The Committee may require from any director, prescribed officer or employee of Sasol Limited or its group companies any information or explanation necessary for the performance of the Committee's functions;
- 6.5 These terms of reference shall be reviewed annually and may be amended as required, subject to the approval of the Board;
- 6.6 The Committee shall at least annually assess the effectiveness of the Committee and its members;
- 6.7 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.

APPROVED BY THE BOARD ON 23 MARCH 2016

CHAIRMAN

MANDATE OF THE SOCIAL AND ETHICS COMMITTEE

Extract From The Companies Act 71 Of 2008, Companies Regulations 2011, Regulation 43(5)

43(5) A social and ethics committee has the following functions:

- a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice with regard to matters relating to—
 - i) Social and economic development, including the company's standing in terms of the goals and purposes of—
 - aa) the 10 principles set out in the United Nations Global compact Principles (**Appendix 1**); and
 - bb) the OECD recommendations regarding corruption (**Appendix 2**);
 - cc) the Employment Equity Act; and
 - dd) the Broad-Based Black Economic Empowerment Act;
 - ii) good corporate citizenship, including the company's—
 - aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - cc) record of sponsorship, donations and charitable giving;
 - iii) The environment, health and public safety, including the impact of the company's activities and of its products or services;
 - iv) Consumer relationships, including the company's advertising, public relations, and compliance with consumer protection laws; and
 - v) Labour and employment, including—
 - aa) the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and

- bb) the company's employment relationships, and its contribution toward the educational development of its employees;
- b) To draw matters within its mandate to the attention of the Board as occasion requires; and
- c) To report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source : The Ten Principles . Available at <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

OECD Policy Guidelines for Preventing Corruption

OECD Recommendation on Principles for Transparency and Integrity in Lobbying (2010)

On 18 February 2010, the OECD Council approved the OECD Recommendation on Principles for Transparency and Integrity in Lobbying. This is the first international policy instrument to provide guidance for policy-makers on how to promote good governance principles in lobbying. The instrument is an important contribution to support cleaner, fairer and stronger economies as it promotes open government and a level playing field for businesses and stakeholders in developing and implementing public policies.

OECD Recommendation on Enhancing Integrity in Public Procurement (2008)

Millions in tax payers' money are lost annually to waste, fraud and corruption in public procurement. OECD countries demonstrated their commitment to prevent risks to integrity in the entire procurement cycle, from needs assessment to contract management and payment. The OECD Recommendation provides policy guidance for the implementation of international instruments developed by the OECD as well as other organisations such as the United Nations, the World Trade Organisation, the World Bank and the European Union.

OECD Recommendation on Guidelines for Managing Conflict of Interest in the Public Service (2003)

Conflicts of interest in both the public and private sectors have become a major matter of public concern world-wide. These guidelines provide the first international reference framework for reviewing existing solutions and modernising mechanisms in line with good practices in OECD countries.

Also available in French, Albanian, Bosnian/Serb, Romanian/Moldovan, Russian, and Ukrainian.

OECD Recommendation on Improving Ethical Conduct in the Public Service including Principles for Managing Ethics in the Public Service (1998)

Increased concern about decline of confidence in government and corruption has prompted governments to review their approaches to ethical conduct. In response to these challenges, the Public Management Committee agreed to a set of Principles for Managing Ethics in the Public Service to help countries review the institutions, systems and mechanisms they have for promoting public service ethics. These principles identify the functions of guidance, management or control against which public ethics management systems can be checked. They draw on the experience of OECD countries, and reflect shared views of sound ethics management.