

OUR GOVERNANCE FRAMEWORK

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. The Board is satisfied that it fulfilled all its duties and obligations in the 2017 financial year.



For more details on the responsibilities, powers, policies, practices and processes of the Board, directors and the Group's executives and other officials, refer to the Board charter as well as the Group's memorandum of incorporation on our website, www.sasol.com.

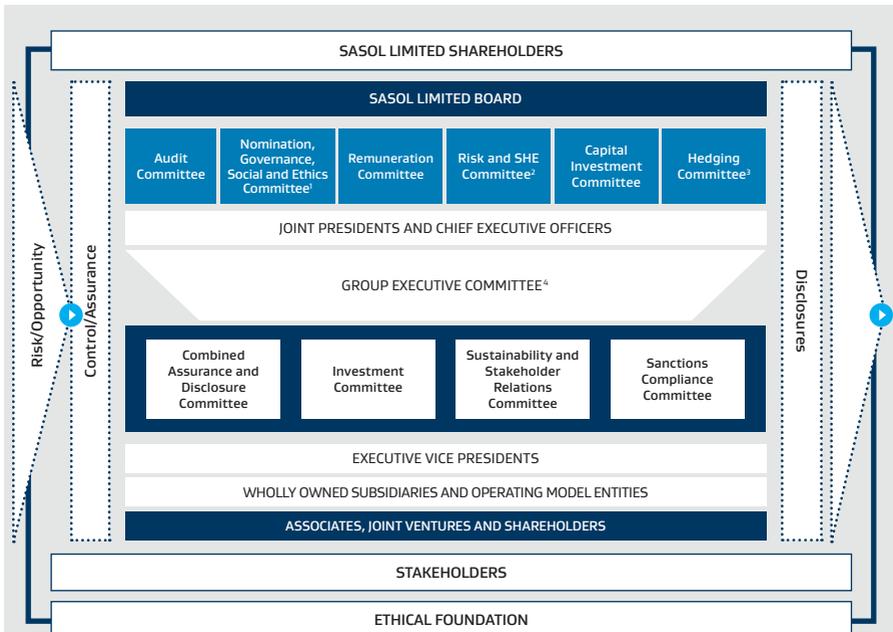
As a company listed on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE), Sasol is subject to, and has implemented controls to provide reasonable assurance of compliance with all relevant requirements in respect of these listings. The Board confirms that Sasol's corporate governance practices do not in any significant way differ from those required of domestic companies under NYSE listing standards. We apply all the principles of the King Report on Corporate Governance for South Africa 2016 (King IV™).



A statement on Sasol's application of the principles of King IV™ is available on www.sasol.com.

The Board and its committees continue to closely monitor the implementation of Sasol's legal compliance policy and processes and improve upon them, to mitigate the risk of non-compliance with the laws in the various jurisdictions in which we do business. Competition laws, 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. We have implemented risk mitigation controls for each of these areas, aiming to achieve a balanced approach on compliance, by taking into consideration Sasol's obligations as well as Sasol's rights.

We regularly review and benchmark the Group's governance structures and processes to ensure they support effective and ethical leadership, good corporate citizenship and sustainable development and ensure that they are applied in the best interests of Sasol and our stakeholders. We have the necessary policies and processes in place to ensure that all entities in the Sasol Group adhere to essential Group requirements and minimum governance standards. As a direct or indirect shareholder, Sasol exercises its rights and is involved in the decision-making of its subsidiaries on material matters and is satisfied that its delegation of authority framework contributes to role clarity and effective exercise of authority and responsibilities.



- 1 Changed from Nomination, Governance, Social and Ethics Committee to Nomination and Governance Committee with effect from 1 July 2017.
- 2 The Risk and SHE Committee was reconstituted as the Safety, Social and Ethics Committee with effect from 1 July 2017.
- 3 The Hedging Committee was broadened to the Digital, Information Management and Hedging Committee with effect from 1 July 2017.
- 4 The Board appoints Group Executive Committee members on the recommendation of the Joint Presidents and Chief Executive Officers and the Nomination, Governance, Social and Ethics Committee.

Our directors and the composition of the Board and committees

BOARD OF DIRECTORS¹

Independent non-executive directors MSV Gantscho (Chairman) C Beggs MJ Cuambe HG Dijkgraaf ²			NNA Matyumza IN Mkhize ZM Mkhize MJN Njeke PJ Robertson	S Westwell GMB Kennealy ³ ME Nkeli ³	Executive directors B Nqwababa ⁴ SR Cornell ⁴ VN Fakude ⁵ P Victor ⁶	7 Meetings/100% attendance 22 Aug 2016 9 Sept 2016 24 Nov 2016 25 Nov 2016	24 Feb 2017 22 May 2017 25 May 2017
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AUDIT COMMITTEE⁷ Independent non-executive directors C Beggs (Chairman) GMB Kennealy ⁸ NNA Matyumza IN Mkhize MJN Njeke S Westwell 6 meetings 100% attendance	NOMINATION, GOVERNANCE, SOCIAL AND ETHICS COMMITTEE⁷ Independent non-executive directors MSV Gantscho (Chairman) HG Dijkgraaf ZM Mkhize MJN Njeke 5 meetings 100% attendance	REMUNERATION COMMITTEE⁷ Independent non-executive directors HG Dijkgraaf (Chairman) MSV Gantscho IN Mkhize ME Nkeli ⁸ PJ Robertson NNA Matyumza 5 meetings 100% attendance
RISK AND SHE COMMITTEE Independent non-executive directors IN Mkhize (Chairman) C Beggs MJ Cuambe ⁹ MSV Gantscho PJ Robertson S Westwell Executive directors B Nqwababa SR Cornell P Victor 4 meetings 100% attendance	CAPITAL INVESTMENT COMMITTEE Independent non-executive directors PJ Robertson (Chairman) MJ Cuambe GMB Kennealy ⁸ NNA Matyumza S Westwell Executive directors SR Cornell B Nqwababa P Victor 4 meetings 100% attendance	HEDGING COMMITTEE Independent non-executive directors S Westwell (Chairman) C Beggs IN Mkhize PJ Robertson Executive directors SR Cornell B Nqwababa P Victor 4 meetings 100% attendance

1 In terms of our memorandum of incorporation, the Board shall consist of a maximum of 16 directors. Up to five may be executive directors. One-third of directors must retire at every Annual General Meeting and are eligible for re-election.

2 Lead independent director.

3 Appointed as independent non-executive director on 1 March 2017.

4 Appointed as executive director and Joint President and CEO with effect from 1 July 2016.

5 Resigned as executive director and Executive Vice President, Strategy and Sustainability with effect from 31 December 2016.

6 Appointed as executive director and CFO with effect from 1 July 2016.

7 The Joint Presidents and Chief Executive Officers are not members of these committees but attend meetings by invitation. They are requested to leave the meeting, where appropriate, before any decisions are made that relate to them personally.

8 Appointed as a member with effect from 1 July 2017.

9 Appointed as a member with effect from 9 September 2016.

The Board recognises and embraces the benefits of diversity at Board level, to enhance the range of directors' perspectives. We appreciate that Board diversity is an essential component for sustaining a competitive advantage. Directors are chosen for their corporate leadership skills, experience and expertise. A combination of business, geographic and academic backgrounds as well as diversity in age, gender and race, enhance the composition of a truly diverse Board.

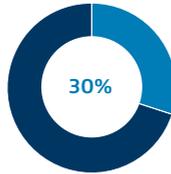
In the year, we announced the appointment of two new female non-executive independent directors, Mss GMB Kennealy and ME Nkeli. We also announced the resignation of Ms VN Fakude, executive director and Executive Vice President, Strategy and Sustainability.

The Nomination, Governance, Social and Ethics Committee assisted with the identification of suitable candidates to be proposed for appointment to the Board, taking into consideration the annual review of Board effectiveness, which includes among others, its composition. We consider all facets of diversity, in determining the optimal composition of the Board, having due regard to the Board's gender diversity policy, which should be balanced appropriately and enable it to discharge its duties and responsibilities effectively.

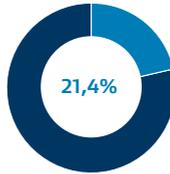
We are comfortable that we have the right balance of skills, experience and independence to make a meaningful contribution to the business of the company.

OUR GOVERNANCE FRAMEWORK (continued)

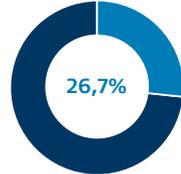
The Board determined a target of **30%** representation of women on the Board by 30 June 2019.



Target



2016



2017

The committees established by the Board play an important role in enhancing standards of governance and effectiveness within the Group. The terms of reference of the Board and its committees form part of the Board charter and are reviewed every year.



The roles and functions of the Chairman, the Lead Independent Director and the Joint Presidents and Chief Executive Officers are described in the Board charter available on our website at www.sasol.com.



A summary of the terms of reference of the Audit Committee, including its duties and the execution thereof, are set out in the Audit Committee report included in the Annual Financial Statements and the functions of the Remuneration Committee, as well as directors' remuneration and other relevant remuneration information are available in the Remuneration Report.



The complete terms of reference of the committees are available on Sasol's website, www.sasol.com.

Development

The development of industry and group knowledge is a continuous process and we brief directors on legal developments and changes in the risk and general business environment on an on-going basis. We apprise newly appointed directors of Sasol's business and their duties and responsibilities as directors and give them the opportunity to visit Sasol's plants and operations.

The Board, its 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 as directors.

Performance

The evaluation of the effectiveness and performance of the Board, its committees, individual directors and the Chairman was externally assessed this financial year. We are satisfied that the evaluation process is improving the Board's performance and effectiveness.



- Reliable and effective reporting remains the greatest enabler to empower the Board to execute its responsibilities and focus on appropriate matters.
- With a few exceptions indicated below, the Board is working well; the structure, mandate and decision roles are appropriate for the size/complexity of Sasol and the Chairman's performance is satisfactory.
- The Board will focus on allocating more time to top talent discussions and restructuring Board committees – the social and ethics aspect of the Nomination, Governance, Social and Ethics Committee has been carved out as a separate committee going forward. The Risk and SHE Committee has been disbanded, with the Board assuming direct responsibility for the governance of risk, supported by all the Board Committees, responsible for ensuring the effective monitoring of risks within the ambit of the Committees' scope.

We, 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 time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily. Should the Nomination, Governance, Social and Ethics Committee be of the view that a director is over-committed or has an unmanageable conflict, the Chairman will meet with that director to discuss the resolution of the matter, to the satisfaction of the Committee.

It was also decided and the memorandum of incorporation accordingly amended, that no director going forward, would hold office for longer than nine years. The Board may nominate a director who served for nine years for re-election for additional periods of one year at a time, but no such director's term of office shall exceed twelve years. In order to retain necessary skills and experience, it was also agreed to remove the age restriction and directors are now allowed to serve irrespective of their age.

The Board is of the view that all non-executive directors are independent, in accordance with King IV™ and the rules of the NYSE. We have reconfirmed the independence of our non-executive directors who have been in office for more than nine years, namely Dr MSV Gantsho, Ms IN Mkhize and Mr HG Dijkgraaf. We did this after taking into account, among other considerations, the extent to which the diversity of their views, skills and experience continue to enhance the Board's effectiveness. Succession planning is a current key focus area.