

**Sasol Limited Group**  
**Report of the Remuneration Committee**  
(continued)

that do not form part of the annual calendar of meetings. Actual fees and the fee structure are reviewed annually.

Six years ago, the Board agreed that the ever-widening gap in the fees earned by resident and non-resident directors needed to be closed. Although approval was received for several higher-than-inflation increases to the resident NED fees, the volatility of the rand/US dollar currency negated any progress made in this regard. Also, over the past few years, the continued low Brent crude oil price and balance sheet constraints due to the advancement of our growth project in the US did not create an opportune time for any big changes in the NED fee structuring approach. Sasol is a global

company and needs to attract and retain a diverse mix of South African and global directors to its board. Our remuneration policy allows for justified discrimination in remuneration. The Board does not believe that different fee structures for resident and non-resident directors is justifiable. Therefore, we have recently held consultations with our large institutional investors on a proposal for a single currency fee structure. We have considered all the feedback received and will request shareholders to vote on the new NED fee structure at the November 2018 Annual General Meeting. We anticipate phasing in the new structure over time.

**Annual Non-executive Directors' fees:**

	2018		2017	
	Member	Chairman	Member	Chairman
Chairman of the Board, inclusive of fees payable for attendance or membership of board committees and directorship of the company		<b>R5 100 000</b>		R4 900 000
<b>Resident fees:</b>				
Non-executive Directors	<b>R723 000</b>		R660 000	
Audit Committee	<b>R199 000</b>	<b>R398 000</b>	R199 000	R398 000
Remuneration Committee	<b>R136 000</b>	<b>R272 000</b>	R136 000	R272 000
Capital Investment Committee	<b>R117 000</b>	<b>R234 000</b>	R117 000	R234 000
Digital, IM and Hedging Committee <sup>1</sup>	<b>R117 000</b>	<b>R234 000</b>	R117 000	R234 000
Nomination and Governance Committee <sup>2</sup>	<b>R117 000</b>	<b>R234 000</b>	R117 000	R234 000
Safety, Social and Ethics Committee <sup>3</sup>	<b>R117 000</b>	<b>R234 000</b>	R117 000	R234 000
Lead Independent Director (additional fee)	<b>R170 000</b>		R170 000	R134 000
Attendance of formally scheduled <i>ad hoc</i> board and committee meetings (per meeting)	<b>R21 000</b>		R21 000	
<b>Non-resident fees:</b>				
Non-executive Directors	<b>US\$150 000</b>		US\$147 000	
Audit Committee	<b>US\$27 000</b>	<b>US\$54 000</b>	US\$27 000	US\$54 000
Remuneration Committee	<b>US\$20 500</b>	<b>US\$41 000</b>	US\$20 500	US\$41 000
Capital Investment Committee	<b>US\$18 500</b>	<b>US\$37 000</b>	US\$18 500	US\$37 000
Digital, IM and Hedging Committee <sup>1</sup>	<b>US\$18 500</b>	<b>US\$37 000</b>	US\$18 500	US\$37 000
Nomination and Governance Committee <sup>2</sup>	<b>US\$18 500</b>	<b>US\$37 000</b>	US\$18 500	US\$37 000
Safety, Social and Ethics Committee <sup>3</sup>	<b>US\$18 500</b>	<b>US\$37 000</b>	US\$18 500	US\$37 000
Lead Independent Director (additional fee)	<b>US\$51 000</b>		US\$51 000	
Attendance of formally scheduled <i>ad hoc</i> board and committee meetings (per meeting)	<b>R21 000</b>		R21 000	

1. The Hedging Committee was broadened to the Digital, Information Management and Hedging Committee with effect from 1 July 2017.
2. Changed from Nomination, Governance, Social and Ethics Committee to Nomination and Governance Committee with effect from 1 July 2017.
3. The Risk and SHE Committee was reconstituted as the Safety, Social and Ethics Committee with effect from 1 July 2017.

**3.1 Sasol's Inzalo ESOP ownership structures - our contribution to economic transformation**

In 2008 eligible Sasol employees received rights to shares in either the Employee Share Ownership Plan (ESOP) or the Management Share Ownership Plan (MSOP). Over the past 10 years, 50% of the declared dividends was paid to participants, while the remaining 50% was used to service the debt.

The Inzalo ESOP and MSOP were implemented in 2008 at a Sasol share price of R366 per share. Two years before the implementation, the share price was R251,30. It was widely anticipated that the share price would continue to grow at the same rate over the 10-year transaction term. The model was designed so that the notional vendor financing would be settled through significant growth in the share price as well as 50% of the dividends earned on the Sasol shares held by the ESOP and MSOP trusts. Since the date of implementation the share price was impacted by volatile macroeconomic factors. If any value was to have been realised for participants, the share price would have needed to trade above R905 at the end of the transaction term in

2018. As the expected share price was not achieved, no capital value (other than the dividends), was transferred to participants when the Inzalo plans came to an end in June 2018.

**3.2 Sasol Khanyisa ESOP – Sasol's new Broad-Based Black Economic Empowerment Ownership Plan**

In designing Sasol Khanyisa, we have considered our past experiences and reviewed many of the larger B-BBEE transactions in South Africa, designing Khanyisa to incorporate what we consider to be the most appropriate and best features.

Sasol Khanyisa was approved by our shareholders in November 2017. It is not considered to be part of our benefit structures due to the nature thereof, but was designed to enable Sasol to receive the required accreditation under the Department of Trade and Industry Codes.

18 275 employees received a Tier 1 Khanyisa award and 18 301 employees received a Tier 2 Khanyisa award. Tier 1 has a three-year vesting period and Tier 2 has a 10-year vesting period.