



SASOL

SASOL INZALO – QUESTIONS AND ANSWERS

Sasol Inzalo Frequently Asked Questions

<p>1. How has Sasol Inzalo performed?</p>	<ul style="list-style-type: none"> • Sasol Inzalo was implemented at a Sasol share price of R366 per share in 2008. Since then, the share price has been impacted by high and low oil and commodity prices. • Various forms of funding were used to fund the Sasol Inzalo transaction. • Sasol Inzalo's success is linked to the Sasol share price. The objective of Sasol Inzalo was to settle funding through the value gained as a result of the growth in the share price. This required a much higher share price to begin to unlock value for participants. • As of today, the growth in the share price has not been enough to settle the funding. • At the current share price of approximately [R400], no net value has been created for Sasol Inzalo participants.
<p>2. What happens if the share price is insufficient to cover the debt when Sasol Inzalo matures?</p>	<ul style="list-style-type: none"> • In the event that the proceeds from the sale of the Sasol Ordinary Shares held by FundCo, either in the market or by Sasol, is insufficient to repay the outstanding preference share funding to its preference shareholders and any other outstanding debt, Sasol will be obliged to cover this shortfall. • Sasol guaranteed the Sasol Inzalo Public Limited (RF) and Sasol Inzalo Groups Limited (RF) loans and will therefore cover the shortfall between the value of the shares and the associated debt in 2018.
<p>3. Will Sasol Inzalo be replaced with another transaction once it unwinds?</p>	<ul style="list-style-type: none"> • Sasol Inzalo is coming to an end in June 2018, and with Sasol's transformation imperative in mind, Sasol intends, subject to shareholder approval in November 2017, to implement our new B-BBEE ownership structure, Sasol Khanyisa.
<p>4. What did Sasol proactively do to have a positive impact on the transaction?</p>	<ul style="list-style-type: none"> • In 2014, Sasol re-negotiated the interest charge on the debt with funders. As a result, the debt was refinanced and the interest rate reduced, making a significant contribution to reducing Sasol Inzalo's financing costs.
<p>5. What was the role of the Sasol Inzalo Directors and how have they protected shareholders over the years?</p>	<ul style="list-style-type: none"> • Sasol Inzalo directors were appointed to oversee the implementation and governance of the Sasol Inzalo transaction to ensure adequate compliance and monitoring to relevant governance agreements. • Sasol Inzalo directors have acted in the best interest of Sasol Inzalo shareholders within the parameters of the relevant governance agreements throughout the transaction. • In particular, the Sasol Inzalo directors: <ul style="list-style-type: none"> ○ campaigned for the refinancing of the Inzalo Transaction; ○ ensured that Inzalo shareholders receive true and accurate information on the Inzalo Transaction through financial results publications, as well as presentations at their annual general meetings; and

	<ul style="list-style-type: none"> ○ monitored the financial performance of the Inzalo Transaction.
6. At what share price does the transaction breakeven and are the lenders paid up?	<ul style="list-style-type: none"> ● There are different breakeven share prices for the different participation elements of Sasol Inzalo. ● The future breakeven share price at the time Sasol Inzalo terminates is not known and cannot be predicted as it depends on factors such as the Sasol share price at the time, prime interest rates, outstanding third party debt balances and applicable taxes. ● Assuming the Sasol Inzalo transaction was <u>terminated today</u> the breakeven share prices (excl. any taxes) are as follows for: <ul style="list-style-type: none"> ○ Inzalo Public : approximately R462 per share ○ Inzalo Groups : approximately R483 per share
7. If the Sasol Inzalo transaction is underwater, do the Sasol Inzalo shareholders receive their equity contribution back?	<ul style="list-style-type: none"> ● If the transaction is under water, there is no obligation on the Sasol Inzalo companies, or Sasol, to return any of the money the shareholders initially contributed. ● Shareholders were made aware of the risks and benefits of buying shares and debt in the prospectus issued by Sasol in 2008. ● The risk of buying shares funded by debt is that you are liable for the fixed debt obligation while the share prices could fluctuate, either higher than the debt or less than the debt. ● In cases where the debt is more than the share value, participants would normally be liable to settle the debt on their own. ● However Sasol and Sasol Financing issued a guarantee that Sasol will pay any residual outstanding debt amounts. ● The Sasol Board and management as well as the Inzalo Board members appreciate the support, patience and loyalty that the Sasol Inzalo shareholders have shown over the duration of Sasol Inzalo.
8. What happens if the share price is insufficient to cover the debt when Sasol Inzalo matures?	<ul style="list-style-type: none"> ● Various forms of funding were used to fund the Sasol Inzalo transaction. ● Sasol Inzalo's success is linked to the Sasol share price. ● As of today, the growth in the share price has not been enough to settle the funding. ● Sasol is committed to settling the remaining guaranteed debt on behalf of participants at the end of Sasol Inzalo.
9. How did Sasol Inzalo end up in debt?	<ul style="list-style-type: none"> ● The debt consists of funding provided to Sasol Inzalo Public Limited (RF) and Sasol Inzalo Groups Limited (RF) by a number of financial institutions to purchase shares in Sasol; Sasol also provided funding to the Employee and Management Schemes to purchase shares in Sasol. ● The Sasol Limited ordinary share has not performed as expected over the past 10 years due to lower international oil and commodity prices, and other global macro-economic factors. This has meant that there have been smaller than expected dividends and a lower than anticipated final share value to settle the funding at maturity of the Scheme.