

**SASOL  
KHANYISA  
PUBLIC (RF)  
LIMITED GROUP**

**Annual Report**  
30 June 2020



**sasol** 

**KHANYISA**

# Navigating your Report



## Our Commitment to South Africa's Success

As a proudly South African corporate citizen, we actively strive to create economic wealth opportunities for previously disadvantaged groups. We firmly believe that Sasol Khanyisa is the vehicle from which we can make a concerted and sustainable contribution to redressing the injustices of the past.

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### Unpacking Sasol Khanyisa

We open the report with a look into what Sasol Khanyisa is and the factors that influence the performance of both Sasol Khanyisa and Sasol South Africa Limited.

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### Shareholder Participation

This section explores how Sasol Khanyisa's value is preserved through sound governance practices and structures.

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SASOL   
KHANYISA

# Invitation from the Chairman

## Dear Shareholders

On behalf of the Sasol Khanyisa Public (RF) Limited board of directors, I have the pleasure to present our Annual Report to our Shareholders.

During the 2019 Annual General Meeting (AGM) Shareholders posed a number of very important questions to us as directors as well as to representatives from Sasol who attended the AGM. The directors and I have taken this opportunity to, on pages 4 to 7 of this Annual Report, address some of the questions posed and concerns raised by our Shareholders.

## Electronic participation and Proxy

The norm is to hold the AGM physically, however, the effects of the Covid-19 pandemic has resulted in engaging electronically with our Shareholders. On Saturday, 31 October 2020 at 10:00, we will be holding the Sasol Khanyisa Public AGM by means of electronic participation only. The procedure on how to vote and attend the Online AGM is set out on pages 10 to 13 of this Annual Report. Should you not be able to attend the Online AGM, please either complete the Form of Proxy included in this Annual Report or access to the iProxy system to appoint a proxy to vote on your behalf at the Online AGM. You can also use the mobile device platform to appoint a proxy. Details on how to appoint a proxy is set out on pages 10 and 11 of this Annual Report.

## Feedback session

The day's proceedings will start with a feedback session at 09:00. At this feedback session Shareholders will be briefed on the financial position of Sasol Limited, Sasol South Africa Limited and Sasol Khanyisa Public. We will also be providing you with information on the roles and responsibilities of the directors of Sasol Khanyisa Public.

## Dividends

We are pleased to inform you that Sasol Khanyisa Public has declared a final dividend of R0,17 for the year ended 30 June 2020. The dividend will be paid to Shareholders on Monday, 5 October 2020.

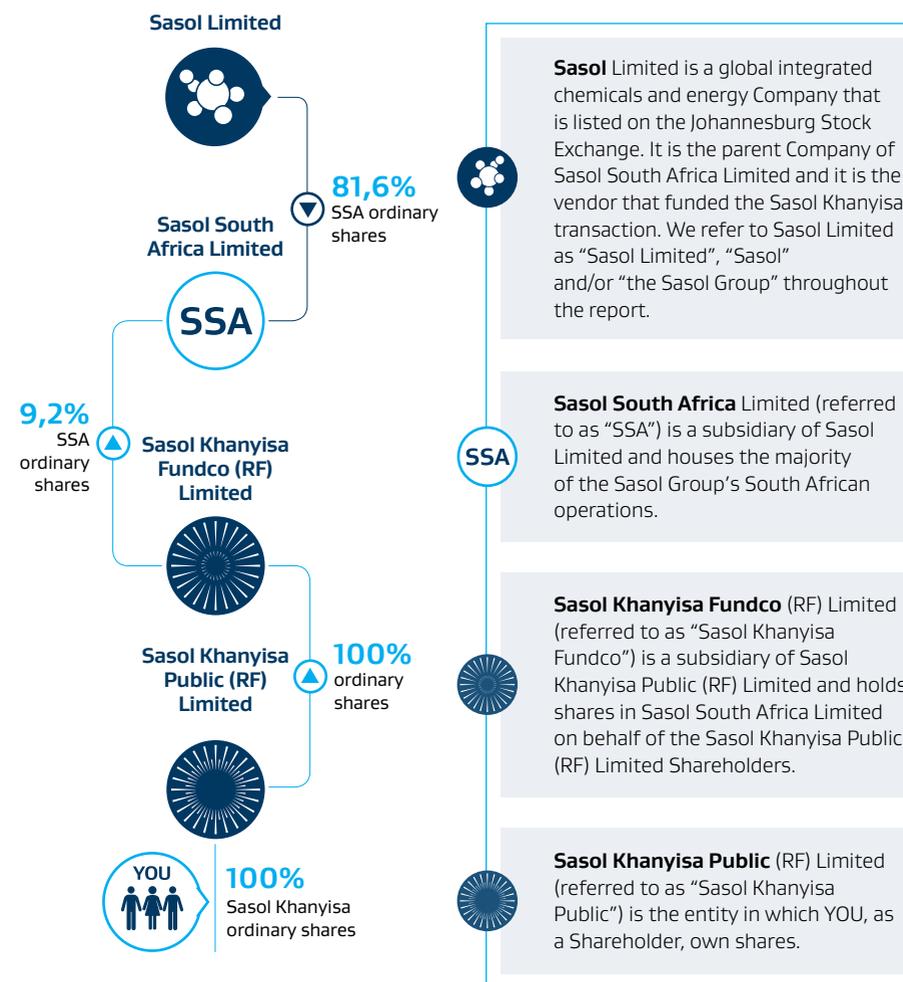
As always, please contact Link Market Services South Africa (Pty) Ltd (Link Market Services) to ensure that your contact details and banking details are up to date or to request information about your shareholding. Link Market Services' contact details are set out on the inside back cover.

I look forward to engaging with you at the Online AGM on Saturday, 31 October 2020.



**Zanele Monnagotla**  
Chairman

# Group Structure



**Sasol Limited** is a global integrated chemicals and energy Company that is listed on the Johannesburg Stock Exchange. It is the parent Company of Sasol South Africa Limited and it is the vendor that funded the Sasol Khanyisa transaction. We refer to Sasol Limited as "Sasol Limited", "Sasol" and/or "the Sasol Group" throughout the report.

**Sasol South Africa Limited** (referred to as "SSA") is a subsidiary of Sasol Limited and houses the majority of the Sasol Group's South African operations.

**Sasol Khanyisa Fundco (RF) Limited** (referred to as "Sasol Khanyisa Fundco") is a subsidiary of Sasol Khanyisa Public (RF) Limited and holds shares in Sasol South Africa Limited on behalf of the Sasol Khanyisa Public (RF) Limited Shareholders.

**Sasol Khanyisa Public (RF) Limited** (referred to as "Sasol Khanyisa Public") is the entity in which YOU, as a Shareholder, own shares.

# Khanyisa in Context



**Sasol Khanyisa is Sasol's flagship economic empowerment ownership structure fuelled by our desire to redress the injustices of the past. The ownership structure is designed to drive Sasol's commitment to transformation and create a more equitable society.**

### What is Broad-Based Black Economic Empowerment (B-BBEE)

B-BBEE is a form of economic empowerment initiated by the South African government that aims to distribute wealth across a broad spectrum of disadvantaged South Africans. The legislation aims to undo the unjust and inequitable share of economic opportunities and capabilities that was institutionalised pre-1994.

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

The most notable characteristic of Sasol Khanyisa is that the transaction's success is not dependent on share price fluctuations as was the case with Sasol Inzalo, our previous B-BBEE transaction. Sasol Khanyisa is intrinsically linked to the performance of SSA.

The essence of SSA's performance depends on whether SSA can make products at a cost that makes its products competitive and that generates a profit, which profit can be distributed to Shareholders through dividends. On the cost side, SSA is focused on what Sasol can control. It is however important to note that SSA does not determine product prices; its prices are determined by international trading prices.

### Why should the Sasol Khanyisa transaction be considered an empowerment transaction?

Empowerment will be achieved through the Sasol Khanyisa transaction when the SSA shares are exchanged for SOLBE1 shares in Sasol Limited on a value for value basis at the end of the ten year term and black people with then own part of Sasol Limited. It is through these shares that value is created in the hands of black people.

## Salient Features of Sasol Khanyisa for the year ended 30 June 2020

### Group's portion of fair value of SSA



**R1 billion**

### What is Sasol Khanyisa Public group's portion of the estimated value of the SSA group?

The Sasol Khanyisa Public group's portion of the estimated value of the SSA group decreased from R8,1 billion to R1,0 billion. This represents 9,2% of the fair value of SSA which decreased significantly to R11,4 billion during the year. SSA's financial results for the year ended 30 June 2020 were impacted by the COVID-19 pandemic and a severe decline in crude oil and chemical product prices. The impact of the weak macro-economic environment was partly mitigated by a strong cash cost, working capital and capital expenditure performance. The impact of the COVID-19 pandemic on the outlook for product prices and demand has resulted in significant impairments across many of the South African cash generating units of SSA.

### Loan balance



**R8,6 billion**

### Why is the debt increasing?

The net debt is increasing because the portion of the SSA dividends (net of the 2,5% trickle dividend) which relates to the Sasol Khanyisa Public Shareholders is less than the interest accrued on the debt owed to Sasol to date. This is to be expected during the initial stages of the transaction.

The repayment of the debt is driven by SSA's ability to generate free cash flows. Debt is expected to decrease as SSA generates free cash flows exceeding interest on debt.

### Dividends



**FY20 final  
R4,6 million**

### What impact did the Lake Charles Chemicals Project cost over-run have on the dividends declared by SSA to Sasol Khanyisa?

The Sasol Khanyisa Public Shareholders dividends are calculated from operations in South Africa and is not impacted by the Lake Charles Chemicals Project. SSA's underlying business, namely the Synfuels Chemicals operations in Secunda and the operations in Sasolburg are the businesses that generate the income that enables SSA to declare and pay a dividend to Sasol Khanyisa in order for the debt and interest to be repaid and dividends paid to Shareholders.

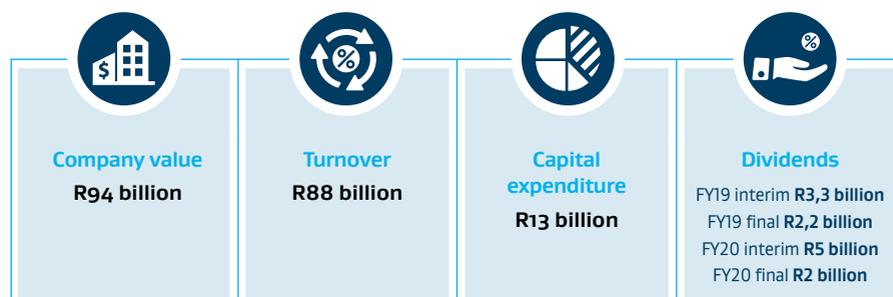
### Is Sasol Khanyisa Public able to appoint a new external auditor's firm?

The Sasol Khanyisa Public Memorandum of Incorporation (MOI) and the Relationship Agreement stipulates that the auditor of Sasol will be the auditor of Sasol Khanyisa Public for the duration of the empowerment period.

The PricewaterhouseCoopers Inc. (PwC) audit team on the Sasol Khanyisa Public audit perform the audit on Sasol Limited, however the teams operate independently from each other.

PwC's term as Sasol's auditors comes to an end after the 30 June 2023 audit. The commercial process to appoint a new audit firm will commence in October 2022 and new auditors will be appointed by mid-2023.

# Salient Features of SSA for the year ended 30 June 2020



## The impact of Sasol's performance on SSA's financial results

- Sasol currently has significant debt levels, largely as a result of the capital expenditure required for the Lake Charles Chemicals Project.
- This debt is with various international banks and Sasol is obligated to repay this debt according to agreements with these banks.
- Part of these debt agreements requires that Sasol meet certain conditions imposed by the lending banks to ensure it is able to repay this debt as these payments become due.
- To provide assurance to these banks, Sasol has to provide them with information on the measures the Company has taken to ensure it has the ability to repay this debt.

## Did you know?

Macroeconomic factors are factors that affect the wider population or world, rather than just a few people.

These factors are not within the control of a Company or its directors.

## Factors that impact SSA's performance

Timeframe	Factors
1 Jul 19 to 31 Dec 19	<ul style="list-style-type: none"> <li>• Brent crude oil price trading between US\$55/bbl and US\$65/bbl – impacted by geopolitical tensions</li> <li>• Higher input costs due to operational challenges faced by Sasol Mining, key supplier to SSA</li> <li>• Already soft global and local chemical trading prices</li> </ul>
1 Jan 20 to 29 Feb 20	<ul style="list-style-type: none"> <li>• Brent crude oil price trading between US\$50/bbl and US\$55/bbl – impacted by heightened geopolitical tensions</li> <li>• Softer global and local chemical trading prices</li> </ul>
1 Mar 20 to 30 Jun 20	<ul style="list-style-type: none"> <li>• Brent crude oil price trading at average of US\$28,9/bbl, lowest closing price of US\$13,24/bbl – mainly resulting from oversupply from OPEC+ key members</li> <li>• Softer global and local chemical trading prices deteriorated further</li> <li>• Sasol and RSA downgraded by ratings agencies – end of March 2020</li> <li>• RSA 5-week full lockdown due to COVID-19 – minimal demand for SSA products, resulting in Synfuels cut back in production (7,4mt for FY20 compared to 7,8mt for FY19)</li> <li>• Gradual re-opening of RSA economy – continued adverse impact on sales volumes</li> </ul>
Outlook – impacting FY20 impairments	<ul style="list-style-type: none"> <li>• Brent crude oil price outlook adjusted significantly lower to US\$35/bbl to US\$45/bbl</li> <li>• Gas price increases in the near term resulting in increased feedstock costs</li> <li>• Global and local chemical prices to remain soft</li> <li>• Prolonged period to reach pre-COVID-19 levels demand and sales volumes</li> <li>• WACC rate increased significantly to 14,22%</li> <li>• Impact of assets held for sale – higher operational costs and higher gas feedstock costs</li> </ul>

# The Khanyisa Story

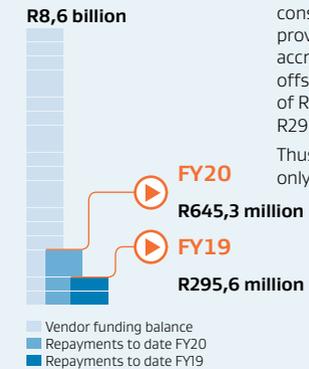
**JUNE 2018**

Sasol launches its B-BBEE transaction – Sasol Khanyisa



## Loan balance and repayments – Our progress thus far

The loan balance of R8,6 billion consists of the initial vendor funding provided of R8,3 billion and interest accrued to date of R1,3 billion offset by payments repayments of R645,3 million during FY20 and R295,6 million during FY19. Thus all repayments related to interest only.



## Dividends received by Shareholders

	Dividends received by Sasol Khanyisa Public	Dividends paid to YOU (per share)
Interim (FY19)	R7,4 million	28 cents
Final (FY19)	R5,0 million	19 cents
Interim (FY20)	R11,5 million	43 cents
Final (FY20)	R4,6 million	17 cents

# How to Participate in the Online Annual General Meeting



## Important information how you can participate in the Annual General Meeting (AGM) of Shareholders is set out below.

1. Shareholders can attend the AGM by accessing the Online AGM Platform through their computers or mobile devices. The Online AGM Platform will allow Shareholders to vote on the resolutions in real time and pose written questions to the Chairman and Directors. The Online AGM Platform is a live webcast of the AGM.
2. Should Shareholders not be able to attend the Online AGM, they can either:
  - Complete the Form of Proxy included in this Annual Report; or
  - Access the iProxy system (through their computers or mobile devices) to appoint a proxy to vote on their behalf at the Online AGM; or
  - Use their mobile devices to appoint a proxy to vote on their behalf at the Online AGM.

### APPOINTING A PROXY TO ATTEND THE ONLINE AGM ON YOUR BEHALF



#### Form of Proxy

Shareholders may complete the Form of Proxy included in this Annual Report and present the Form of Proxy to a representative of Link Market Services at their offices or email the completed and signed Form of Proxy to [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za).



#### iProxy

Shareholders who hold their shares in certificated format with Link Market Services or in dematerialised format with Pacific Custodians Nominees (RF) (Pty) Ltd (PCN) can use the online proxy facility to complete their Forms of Proxy. This online proxy facility is free of charge and is available on the internet.

To make use of the online proxy, Shareholders are required to register for the service, via the website on <https://SasolKhanyisa.virtual-meetings.online/login>.

Shareholders will also be able to view a demonstration of the online proxy facility.

Shareholders can, from **09:00 on Monday, 26 October 2020**, access the online proxy facility to appoint a proxy to attend the Online AGM on their behalf.



#### Mobile devices platform

Shareholders who hold their shares in certificated format with Link Market Services or in dematerialised format with PCN may, through their mobile devices, appoint a proxy to attend the Online AGM on their behalf. An SMS will be sent to Shareholders with instructions how to appoint a proxy.

Shareholders, can, from **09:00 on Monday, 26 October 2020**, upon receipt of an SMS, appoint a proxy to attend the Online AGM on their behalf.

# How to Participate in the Online Annual General Meeting



## ATTENDING THE AGM THROUGH ELECTRONIC MEANS

The Sasol Khanyisa Public AGM will be held entirely through electronic means. In order for Shareholders or their proxies to attend the Online AGM through electronic means the following is required:

### Attending the Online AGM in person through electronic means

- Shareholders who hold their shares through a central securities depository participant (CSDP) or Broker must request that their custodian furnish them with the relevant Letter of Representation.
- Only Shareholders in possession of a valid Letter of Representation will be eligible to access the Online AGM Platform and vote their shares during the Online AGM. Shareholders must submit their Letter of Representation to Link Market Services at [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za) to receive their Shareholder reference number and password in order to register on the Online AGM Platform and access the webcast. Please ensure that you provide a valid email address and mobile number with your Letter of Representation request so that login details may be provided to you.
- Certificated Shareholders and those Shareholders who hold their shares in their "own name" through PCN may also access the Online AGM Platform at <https://SasolKhanyisa.virtual-meetings.online/login>
  - (i) In order to log into the Online AGM Platform to vote, use the Shareholder reference number and password which was sent to you. If this information is not received prior to the meeting, then please contact Link Market Services at [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za) or on **0800 800 010** for assistance.
  - (ii) Certificated Shareholders and those dematerialised Shareholders who have already submitted a proxy in advance of the Online AGM and who wish to participate in the webcast have the option of linking to the webcast via the link <https://SasolKhanyisa.virtual-meetings.online/login> as set out in (i) above. In this regard Shareholders are referred to page 52 of the Annual Report for the process to revoke your proxy.

### Proxy's attendance at Online AGM

1. In order for Link Market Services to verify your details or that of your proxy, the following documentation will need to be provided to Link Market Services at [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za):
  - 1.1. if the Intended Participant is a natural person, a copy of his/her identity document or valid passport or valid driver's licence; or
  - 1.2. if the Intended Participant is not a natural person, a copy of a resolution passed by it (which resolution must set out the identity of the natural person who is authorised to represent the Intended Participant at the Online AGM) and a certified copy of the identity document or valid passport or valid driver's licence of the natural person who is authorised to represent the Intended Participant; or
  - 1.3. if the Intended Participant is a Sasol Khanyisa Beneficial Owner with his/her/its Sasol Khanyisa ordinary shares registered in the name of a Dematerialised Nominee Shareholder, a copy of the Letter of Representation issued by the Dematerialised Nominee Shareholder, which shall contain the identity number of the Sasol Khanyisa Beneficial Owner.
2. Once you have been verified by Link Market Services you will be provided with a Shareholder reference number and a password. Please contact **0800 800 010** should a password not be received. The password will be sent via email or SMS depending on the details that Link Market Services or PCN have on record for you. Shareholders are encouraged to register to electronically attend the Online AGM by Thursday, 29 October 2020.
3. On the day of the Online AGM the Shareholder or Shareholder's proxy will log in at <https://SasolKhanyisa.virtual-meetings.online/login> using the Shareholder reference number and password or, in the case of your proxy, the allocated Shareholder reference number and password that was provided to your proxy by Link Market Services.

**Shareholders are requested to login at least 15 minutes before the commencement of the Online AGM that starts at 10:00. Shareholders are advised that the Feedback Session will begin at 09:00 and you are requested to, should you wish to attend the Feedback Session, log in at least 15 minutes before the commencement of the Feedback Session.**

Certificated Shareholders who hold their shares through Link Market Services or Shareholders who hold their shares through PCN and who have not appointed a proxy to attend the Online AGM on their behalf will be able to vote at the Online AGM. Shareholders who have appointed a proxy to attend the Online AGM on their behalf but wish to attend the Online AGM themselves are referred to page 52 of the Annual Report for the proxy revocation process.

4. Once logged in, the platform will recognise if you do not have an email address on record and prompt you to add an email address to which a confirmation of your vote will be sent by following the onscreen prompts.
5. Click on the link to view the webcast.
6. To vote click on the action button **Click to Vote** to view the resolutions being voted on. Once you have made your voting selections, press the **Submit** button at the foot of the screen on the **Vote on all Resolutions Page**. The platform will confirm your votes have been accepted. By clicking on the Dashboard link on the screen you will be able to return to the screen to view the webcast.

*Data usage for streaming the Online AGM or downloading documents through the Online AGM Platform varies depending on individual use, the specific devices being used for streaming or download (Android, iPhone, etc.) and the network connect (3G, 4G).*

# Notice of Annual General Meeting

**Notice is hereby given that the 3<sup>rd</sup> Annual General Meeting (AGM) of Sasol Khanyisa Public (RF) Limited's (Sasol Khanyisa or the Company) Shareholders will be held entirely by Electronic Communication on Saturday, 31 October 2020 at 10:00.**

**This document is important and requires your immediate attention. Your attention is drawn to the notes at the end of this notice, which contain important information with regard to participation in the Online AGM.**

In light of the outbreak of the COVID-19 pandemic in South Africa, its status as an ongoing pandemic and its declaration as a national disaster in terms of the Disaster Management Act, 57 of 2002 (and accordingly, the restrictions imposed thereby on public gatherings), and the subsequent declaration by President Cyril Ramaphosa of a nationwide lockdown with continued restrictions on the number of people who can attend indoor events, the Company's 3<sup>rd</sup> AGM will be held entirely by Electronic Communication. The Company is permitted in terms of section 63(2) of the Companies Act, No. 71 of 2008 (the Act) and clause 20.9 of the Company's Memorandum of Incorporation (MOI) to hold an Online AGM by Electronic Communication (the Online AGM).

Shareholders who are unable to attend the Online AGM may, through one of the following platforms, appoint a proxy to, as directed, vote at the Online AGM in their stead:

1. complete the Form of Proxy that is contained in this Annual Report;
2. access an online iProxy facility to complete their Form of Proxy. This online proxy is free

of charge and is available on the internet; or

3. complete the Form of Proxy using their mobile device. An SMS will be sent to Shareholders with instructions on how to complete the Form of Proxy.

Shareholders are referred to pages 10 and 11 of this Annual Report for further details on how to appoint a proxy.

Shareholders and proxies, who will be attending the AGM via Electronic Communication are referred to pages 12 and 13 of this Annual Report for details on how to attend the Online AGM.

### **Shareholders will be liable for their own data charges in relation to electronic participation in and/or voting at the Online AGM.**

Any such charges will not be for the account of the Company or any service provider retained for purposes of hosting and/or facilitating the Online AGM. None of the Company or any such service provider can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the Online AGM.

The holders of Sasol Khanyisa ordinary shares (the Shareholders) and any persons who are not Shareholders but who are entitled to exercise any voting rights in relation to the resolutions to be proposed at the meeting (collectively the holders or you), as at the record date of Friday, 23 October 2020 are entitled to attend, participate in and vote at the Online AGM in person or by proxy. A proxy need not be a person entitled to vote at the meeting.

The board of directors (the Board) has determined, in accordance with section 59 of the Act, that the record date by when persons must be recorded as Shareholders in the securities register of the Company in order to be entitled to receive the Notice of AGM is Friday, 25 September 2020. The record date in order to be recorded in the securities register as a Shareholder to be able to attend, participate and vote at the Online AGM, is Friday, 23 October 2020.

This document is available in English only. The proceedings at the meeting will be conducted in English, Zulu and Sesotho.

The purpose of the Online AGM is for the following business to be transacted and to consider and, if approved, to pass with or without modification, the following ordinary resolutions, in the manner required by the Company's MOI, and the Act:

1. To receive the audited Annual Financial Statements of the Company and of the Sasol Khanyisa Public (RF) Limited Group, for the financial year ended 30 June 2020, together with the reports of the Directors, the Audit Committee and the external auditors. The Annual Financial Statements of the Company for the financial year ended 30 June 2020 (as contained in the Annual Report) can be obtained from the Sasol Khanyisa website at [www.sasolkhanyisa.com](http://www.sasolkhanyisa.com).

2. To vote on the election, each by way of a separate vote, of the following directors who are required to retire in terms of clause 22.2.4 of the Company's MOI, and who are eligible and have offered themselves for re-election<sup>1</sup>:



2.1 Ms N Manyika



2.2 Ms Z Monnakgotla



2.3 Mr KH Setzin

3. To vote on the appointment of PricewaterhouseCoopers Inc. (PwC), nominated by the Company's Audit Committee, as independent auditor of the Company and the group for the financial year ending 30 June 2021, to hold office until the end of the next AGM.

The Audit Committee is satisfied that the appointment of PwC<sup>2</sup> will comply with the requirements of the Act and the Regulations.

4. To vote on the election, each by way of a separate vote, of the members of the Audit Committee of the Company, to hold office until the end of the next AGM, namely:
  - 4.1 Ms N Manyika (subject to her being elected as a director in terms of ordinary resolution number 2.1);
  - 4.2 Mr TR Madiba; and
  - 4.3 Ms K Njobe.

At the date of this notice, there are no vacancies on the Audit Committee.

The Board has reviewed the proposed composition of the Audit Committee against the requirements of the Act and the Regulations<sup>3</sup> that apply to the Company, and has confirmed that the proposed Audit Committee will comply with the relevant requirements, and has the necessary knowledge, skills and experience to enable the Audit Committee to perform its duties in terms of the Act. The Board recommends the election by holders of the directors listed above as members of the Audit Committee, to hold office until the end of the next AGM.

**By order of the Board  
14 September 2020**

1. Brief biographies of directors who have offered themselves for re-election are included in this Annual Report on pages 20 and 21.  
2. Ms MM Mokone, PwC practice number 901121.  
3. Sections 94(4) and 94(5) of the Act read with Regulation 42 of the Regulations.

# Notes to the Notice of Annual General Meeting



This document is addressed to all holders.

1. The AGM will be held entirely by Electronic Communication. Sasol Khanyisa Public is permitted in terms of the Act to hold a Shareholders' meeting entirely by Electronic Communication if its MOI does not prevent this (which the Company's MOI does not).
2. The decision has been taken by the Board that in the light of the current circumstances prevailing in South Africa regarding the COVID-19 pandemic, it is appropriate to hold the AGM entirely by Electronic Communication in accordance with the provisions of clause 20.9 of the Company's MOI read with section 63(2) of the Act.
3. Participants will accordingly only be able to Participate in the AGM by Electronic Communication, in accordance with the provisions of the Act.
4. In accordance with sections 61(10) and 63(3) of the Act, you may participate in the AGM by electronic means.
5. **Online AGM Platform:** In accordance with section 63(1) of the Act, before any Intended Participant may Participate in the Online AGM, that person must furnish (by Presentation) reasonably satisfactory identification and the person presiding at the Online AGM must be reasonably satisfied that the right of that Intended Participant to Participate has been reasonably verified. The Company will accept a valid South African identity

document, a valid driver's licence or a valid passport as satisfactory identification.

- 5.1 Participants will be able to view a live webcast of the Online AGM, ask the Board questions in writing and submit your votes in real time. To do this, you will need to log on at **<https://SasolKhanyisa.virtual-meetings.online/>** login using your Shareholder reference number and the Password that has been provided to you.
- 5.2 Any Intended Participants wishing to Participate in the Online AGM should deliver written notice to Link Market Services containing a valid email address for the person wishing to Participate, which written notice must be accompanied by:
  - 5.2.1 if the Intended Participant is a natural person, a copy of his/her identity document or valid passport or valid driver's licence to enable the Intended Participant to be verified;
  - 5.2.2 if the Intended Participant is not a natural person, a copy of a resolution passed by it (which resolution must set out the identity of the natural person who is authorised to represent the Intended Participant at the Online AGM and a certified copy of the identity document or valid passport or valid driver's licence of the natural person who is authorised to represent the Intended Participant;

- 5.2.3 if the Intended Participant is a Sasol Khanyisa Beneficial Owner with his/her/its Sasol Khanyisa ordinary shares registered in the name of a Dematerialised Nominee Shareholder, a copy of the Letter of Representation issued by the Dematerialised Nominee Shareholder, which shall contain the identity number of the Sasol Khanyisa Beneficial Owner,

as soon as possible but preferably by no later than 09:00 on Thursday, 29 October 2020. This is necessary in order to obtain a Shareholder reference number and password, without which it will not be possible to Participate. Sufficient time is needed for Link Market Services to verify the Intended Participant and then have a Shareholder reference number and password assigned to you which reflects the number of Sasol Khanyisa ordinary shares in respect of which voting is permitted. If the number of Sasol Khanyisa ordinary shares reflected is nil, the Intended Participant will be able to attend the Online AGM and view the proceedings as a Guest but will not be able to ask questions, make comments or vote. An Intended Participant will receive Guest status if he/she/it does not furnish the necessary identification documents or, if applicable, Letter of Representation.

- 5.3 After accessing the webcast, a Participant or Guest will be required to follow the messaging instructions which will appear on the screen of the device used by the Participant or Guest in order to Participate in, or view proceedings at, the Online AGM. The webcast facilities ordinarily enable all Participants and the Board to communicate concurrently with each other in the Online AGM, in the case of Participants, by posting written questions and listening to the Board as it speaks and responds to questions tabled and generally to Participate reasonably effectively in the Online AGM.

6. The Participants or Guests agree that Sasol Khanyisa Public has no responsibility or liability, under any applicable law, regulation or otherwise, for any loss, liability, cost, expense, damage, penalty or claim arising in any way from using the webcast facilities including, without limitation, any malfunctioning or other failure of the webcast facilities, whether or not as a result of any act or omission on the part of the Company or anyone else.
7. It will not be possible for votes to be taken on a show of hands. In terms of the Sasol Khanyisa Public MOI, votes will be taken by way of a show of hands, unless certain categories of people demand a poll. Given that it will not be possible for votes to be taken on a show of hands, the chairman will demand a poll on all the Resolutions at the start of the Online AGM.

# Notes to the Notice of Annual General Meeting



8. Participants will be able to change any vote they may have cast in respect of any resolution at any time during the voting process until the voting closes, which will be shortly before the end of the Online AGM and will be announced by the Chairman. Once the voting closes, Participants will not be able to change any vote cast in respect of any resolution.
9. If you are a Sasol Khanyisa Beneficial Owner
  - 9.1 Your CSDP or Broker should contact you in the manner stipulated in the agreement concluded between you and your CSDP or Broker to ascertain:
    - 9.1.1 whether you wish to Participate in the Online AGM in person, in order to furnish you with a Letter of Representation;
    - 9.1.2 if you do not wish to Participate in the Online AGM in person, how you wish the CSDP or Broker to cast your votes at the Online AGM. The CSDP or Broker should then cast your votes in accordance with your instructions. If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the provisions, if any, contained in the agreement concluded between you and your CSDP or Broker.
  - 9.2 If you have not been contacted by your CSDP or Broker, you should contact your CSDP or Broker and furnish them with your voting instructions or request a Letter of Representation.
  - 9.3 You must NOT complete the attached Form of Proxy if your CSDP or Broker will be appointing a proxy to vote all the Sasol Khanyisa ordinary shares in respect of which you are the Sasol Khanyisa Beneficial Owner and you do not need to use a proxy form at all if you will be Participating relying on a Letter of Representation.
  - 9.4 If you have received a Letter of Representation from your CSDP or Broker and you are not able to attend the Online AGM, you will be entitled either:
    - 9.4.1 to inform your CSDP or Broker and request them to vote as set out in paragraph 9.1.2; or
    - 9.4.2 appoint a proxy to vote all the Sasol Khanyisa ordinary shares in respect of which you are the Sasol Khanyisa Beneficial Owner by completing the attached Form of Proxy in accordance with the instructions contained in the Form of Proxy and returning it to Link Market Services. It is requested that Forms of Proxy be received by Link Market Services as soon as possible, and preferably by no later than 10:00 on Thursday, 29 October 2020.
10. If you are a Certificated Shareholder
  - 10.1 You may Participate in the Online AGM as outlined in paragraphs 5 and 6.
  - 10.2 Alternatively, if you are unable to Participate in the Online AGM yourself in person, you may appoint a proxy to represent you at the Online AGM by completing the attached Form of Proxy in accordance with the instructions contained in the Form of Proxy and returning it to Link Market Services. It is requested that Forms of Proxy be received by Link Market Services as soon as possible, and preferably by no later than 09:00 on Thursday, 29 October 2020. You may also appoint a proxy using the iProxy or mobile devices platforms as set out on pages 10 and 11 of this Annual Report.
  - 10.3 You are encouraged to appoint a proxy if you do not intend to attend the Online AGM yourself in person.
11. If you are a Dematerialised Nominee Shareholder with "Own Name" registration paragraph 10 above is equally applicable to you.
12. If you are a Dematerialised Nominee Shareholder you will be entitled to Participate in the Online AGM in accordance with the instructions of the Sasol Khanyisa Beneficial Owner which you represent. In order to Participate in the Online AGM in respect of any Sasol Khanyisa Beneficial Owner which you represent, you should not have granted a Letter of Representation to that Sasol Khanyisa Beneficial Owner. If you have not obtained instructions from any Sasol Beneficial Owner which you represent, you will be entitled to Participate in the Online AGM in accordance with and act in terms of the mandate furnished to you by any such Sasol Khanyisa Beneficial Owner.
13. Joint holders

Where there are joint holders of Sasol Khanyisa ordinary shares, any one of such persons may vote at the Online AGM in respect of such Sasol Khanyisa ordinary shares as if that person is solely entitled thereto, but if more than one of such joint holders are present at the Online AGM, the person whose name appears first in Sasol Khanyisa Public's Register in respect of such Sasol Khanyisa ordinary shares or its/his/her proxy, as the case may be, shall alone be entitled to vote in respect of such Sasol Khanyisa ordinary shares.

Ordinary resolutions, save to the extent expressly provided in respect of a particular matter contemplated in the Company's MOI shall require to be adopted with the support of more than 50% of the voting rights of those persons present at the Online AGM exercised on the ordinary resolution.

Special resolutions shall require to be adopted with the support of at least 75% of the voting rights of those persons present at the Online AGM exercised on the special resolution.

# Our Board of Directors



## 1. ZANELE MONNAKOTLA

South African: Born 1971

**Independent Non-Executive Director**

Masters in Finance, Management Advanced Programme LLM (Tax), LLB, BCom

**Appointed to the Board in 2018 and resigned as Chairman of the Board on 14 September 2020**

Ms Monnakotla is the Founder and Managing Director of Freewi, a company whose aim is to make Wi-Fi more accessible to communities, townships, businesses and the underprivileged in SA and the continent.

She is a non-executive director on the following boards: Sasol South Africa Limited, Development Bank of Southern Africa (DBSA); and Philafrica Pty Ltd.

She previously held various senior positions at the Industrial Development Corporation between 2000 and 2014 including Senior Project Manager: Project and Structured Finance, Head of Strategic High Impact Projects and Head of Innovation Department. She previously served as a non-executive director on Bluefin, Persomics and Foskor and was a member of the Legal and Technical sub-committee of Pebble Bed Modular reactor.

## 2. NONKULULEKO MANYIKA

South African: Born 1983

**Independent Non-Executive Director**

BCom Accounting, BCompt (CTA - Hons), CA(SA)

**Appointed to the Board in 2019**

Ms Manyika is the founder of Nonisa an advisory firm that caters to a large variety of clients within construction and other specialised fields.

She was previously the Chief Financial Officer of ENM Trading and Chief Executive Officer of the Association for the Advancement of Black Accountants of South Africa (ABASA) and a board member of the South African Institute of Chartered Accountants. She also worked for Standard Bank Corporate Investment Banking, Absa Capital and Deloitte.

## 3. KHUNGEKA NJOBE

South African: Born 1970

**Independent Non-Executive Director**

BSc (Hons), MSc

**Appointed to the Board in 2019**

Ms Njobe is the Group Executive for Business Excellence and Integration at the Council for Scientific and Industrial Research (CSIR), which she rejoined in March 2020.

She also serves as a Trustee of Hans Merensky and is the board member of Fusion Energy Holdings.

She was the Founder, Executive Chairman and Chief Executive Officer of Kay Ann Group, a company holding investments, operating entities and a consulting business. Prior to that she was a Managing Director for Aveng Water and an Executive at the CSIR.

Until June 2020, she was a member of the University of Stellenbosch Council, where she was also a member of its Executive Committee and a Chair of its Social and Ethics Committee. She is also a previous member of the South African National Parks Board and served as a Chairperson of one its committees. She also served up until December 2019, 10 years on Sasol Inzalo Public (RF) Limited and Sasol Inzalo Public Funding (RF) (Pty) Ltd and part of the period she was the Chairperson of the Board, the Nominations Committee and a member of the Audit Committee.

Other Boards she has served on, are the South African Weather Service (Chair), Safcol, Technology Innovation Agency (Chair), and the Board of Governors of the World Water Council.

## 4. KANANELO MAKHETHA

South African: Born 1960

**Independent Non-Executive Director**

BCom, MBA

**Appointed to the Board in 2018**

Mr Makhetha is the Chief Executive Officer of Club Travel Corporate, a corporate travel management company, providing travel and related services to the private and public sectors.

He is the former Chief Executive Officer of Travellex Africa, a retail travel foreign exchange supplier. He is the Chairman at Education Africa and a non-executive Director at Shumi Investment Holdings (Pty) Ltd.

He has over 20 years' experience in the South African Travel, Tourism and related service industries and is well versed in the requirements of business management and strategy, corporate governance, enterprise risk management, compliance and transformation. He was the past President of the Association of Southern African Travel Agents and a Director of SA Tourism and THETA (Now CATHSSETA).

## 5. KENNY SETZIN

South African: Born 1961

**Independent Non-Executive Director and Chairman**

MBA and BA Journalism

**Appointed to the Board in 2018 and Chairman of the Board on 14 September 2020**

Mr Setzin is the Founder and Executive Chairman of the DIH group, an investment holding company with interests in media, management consulting services, financial services, and mining.

He is responsible for deal origination, negotiations, valuations, deal structuring, capital raising and post-investment value-enhancement. DIH group's investment portfolio comprises equity stakes in AON South Africa (Pty) Ltd, PE Corporate Services (Pty) Ltd, City Power Johannesburg SOC Limited, North West FM (Pty) Ltd, Lanxess Chrome Mining (Pty) Ltd, Sasol Khanyisa Public (RF) Limited and Talk Sport South Africa (Pty) Ltd. Prior to the formation of DIH group, he was an executive director of New Africa Investments Limited (Nail), one of the foremost listed BEE companies.

During his 11 years with Nail, the company reached a market capitalisation of R15 billion before it was delisted. Before joining Nail, he worked for several years in the banking industry for Nedbank, followed by Telkom South Africa. He has close to 27 years of managerial experience locally and in the US, ranging from mergers and acquisitions, telecommunications, media management, marketing and brand communication and small business financing. Apart from being a director of several companies, he also lectured on a part-time basis at North-West University (South Africa) for a period of six years.

## 6. THABISO MADIBA

South African: Born 1981

**Independent Non-Executive Director**

BCom Accounting, MCom (SA and International Taxation), CA(SA), RA(SA)

## Appointed to the Board in 2018

Mr Madiba is a Financial Management Lecturer at the University of Johannesburg supervising tax masters students, an Audit Partner at Barakabora Assurance and a SAICA Accreditation Reviewer with the South African Institute of Chartered Accountants (SAICA).

He is a Director of Barakabora Consulting, CA Succeed Training (Pty) Ltd and the Trevor Noah Foundation. He serves as ex-officio member of SAICA's Training and Regulations Committee and its Accreditation and Monitoring Committee. He is a Trustee of the University of Johannesburg's Provident Fund.

He is on the board of Peermont Global (East Free State), the Trevor Noah Foundation and is a trustee of Nal'ibali.

He has expert technical knowledge of tax, strategy, risk management and financial management and, as an academic, is able to communicate complex technical financial terms in an effective manner. He is passionate about empowering those that are previously disadvantaged.

## 7. THALITA BOIKHUTSO

South African: Born 1973

**Independent Non-Executive Director**

BA (Hons), MA

**Appointed to the Board in 2019**

Ms Boikhutso is the Managing Director of Alona Advisory Services. She has extensive advisory services experience, with specific focus on Financial Services, Mining, FMCG, Oil & Gas and Public sectors. She has a unique ability to synthesise information creating concise implementable solutions driven by business strategy, optimising business processes, aligning organisational culture, values and people in order to provide enhanced delivery and profitability within required governance frameworks.

She was previously Group Chief Executive of Maxima Global Consulting and a Director at KPMG. Outside of her activities at Alona Advisory Services, she serves as non-executive Director of Verifone Africa, where she chairs the Social and Ethics Committee. She previously served as non-executive Director of Tsebo Solutions Group, Sasol Inzalo Public (RF) Limited, Sasol Inzalo Public Funding (RF) (Pty) Ltd and Sebata Group where she served on the Nominations Committee, Strategy and Technical Committee and chaired the Social and Ethics Committee.

# Governance overview



Sasol Khanyisa Public's Board is committed to managing the Company based on an ethical foundation, aligned to the objectives of the Company, taking into account its short- and long-term impact on the economy, society and its stakeholders.

For more details on the responsibilities, powers, policies, practices and processes of the Board and Directors, refer to the Board Charter as well as the Company's MOI on our website, [www.sasolkhanyisa.com](http://www.sasolkhanyisa.com).

**Sasol Khanyisa Public (RF) Limited and Sasol Khanyisa Fundco (RF) Limited ("the Group")**



The Group acknowledges that transparency and accountability are achieved by among others, effective communication, which is integral in building stakeholder value. To that end, the Group is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to its Shareholders. The Group endeavours, through Sasol and SSA disclosure controls and procedures, to present a balanced and understandable assessment of its financial position by addressing material matters of significant interest and concern in its Annual Financial Statements.

The Group applies all the principles of the King Report on Corporate Governance for South Africa 2016 (King IV™) insofar as these principles apply to it.

**Sasol South Africa Limited ("SSA")**



In terms of the Relationship Agreement entered into between the Group, Sasol, Sasol Financing Limited and SSA (the Administrative Agent), SSA provides all necessary services, such as financial, information and risk management, governance, legal compliance and internal audit services, to the Group. These services are subject to oversight and performance management by the appropriate governance entities within Sasol. SSA complies with the principles of King IV™ in fulfilling its duties as Administrative Agent in terms of the Relationship Agreement.

SSA is the Company Secretary of the Group. It is represented by suitably qualified and experienced individuals. It is of utmost importance to the Group that it consistently complies with existing and new regulations in order to ensure the integrity of the transaction during the Empowerment period. SSA, as the Company Secretary and Administrative Agent, is primarily responsible for ensuring compliance with the regulatory requirements and is supported and monitored by the finance, internal audit, legal services and risk management functions of SSA.

## Board of Directors

### Board agenda

Board meetings take place twice per annum, and more regularly as needed. For the reporting period, the Board held its two meetings, and an additional four Special meetings.

The Board uses its meetings to discharge its governance and regulatory responsibilities. Meeting agendas are formal, follow a tailored work-plan and are agreed upon ahead of each meeting by the Chairman and the Company Secretary. Meeting agendas comprise management reports on operational and financial performance, Group governance, compliance and legal matters, and matters otherwise reserved for Board decision making. The Board is satisfied that it has fulfilled its responsibilities in accordance with its Board Charter for the reporting period.

## Tenure and succession

### Chairperson

Ms Z Monnagotla was appointed as the Chairperson of the Board effective July 2018. The decision to appoint the Board Chairperson is regulated by the Company's MOI. Ms Z Monnagotla's tenure has come to an end as provided for in the MOI and she has been succeeded by a member of the Board, Mr KH Setzin.

The Board, within the framework of the Relationship Agreement, steers and sets the direction of the Company and brings independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board whilst ensuring that strategy, risk and performance considerations are effectively integrated and appropriately balanced.



For more details of Sasol Khanyisa's application of King IV™ principles refer to our website, [www.sasolkhanyisa.com](http://www.sasolkhanyisa.com).

# Governance overview

## Development and performance

Ongoing training and development is an important contributor to an effective Board. The development of industry and Group knowledge is a continuous process. We apprise newly appointed directors of Sasol Khanyisa Public's business and their duties and responsibilities through a structured induction programme which includes meetings with SSA's management and induction material on topics related to among others, governance and the business of Sasol Khanyisa Public and SSA.

The Board is entitled to seek independent professional advice at SSA's expense concerning the Groups' affairs and the directors have access to any information they may require in discharging their duties as directors.

## The Board



<b>Chairman:</b>	<b>Z Monnakgotla **</b>	
<b>Membership:</b>	<b>Non-Executive directors</b>	
	TLB Boikhutso	KM Makhetha
	N Manyika	K Njobe
	TR Madiba	KH Setzin ***
<b>Attendance:</b>	3 June 2019*	3 April 2020*
	28 October 2019	6 December 2020*
	20 November 2019*	
	23 March 2020	
	<b>6 meetings</b>	<b>100% attendance</b>

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, geographical and academic backgrounds as well as diversity in age and gender, enhance the composition of a truly diverse Board.

\* Special meetings

\*\* Resigned as Chairman on 14 September 2020

\*\*\* Appointed as Chairman on 14 September 2020

## The Board and its Committees

The Board delegates certain responsibilities to well-structured Board Committees without abdicating accountability. The delegation is formal in terms of Board-approved Terms of Reference for each Committee. The Board appoints the members for the skills required to effectively provide strategic direction to the Group, as well as monitor and oversee the activities of the Group. The Board receives reports and minutes of each Committee meeting. The composition and mandate of the Board Committees effectively contribute to the effective discharge of the Board's duties and responsibilities.

### Sasol Khanyisa Public (RF) Limited and Sasol Khanyisa Fundco (RF) Limited Board

**In terms of the MOI of both Sasol Khanyisa Public (RF) Limited and its subsidiary, Sasol Khanyisa Fundco (RF) Limited, the same directors serve on both Boards. The Boards are to comprise a majority of black persons, with a minimum of 40% being black female.**

## Audit Committee



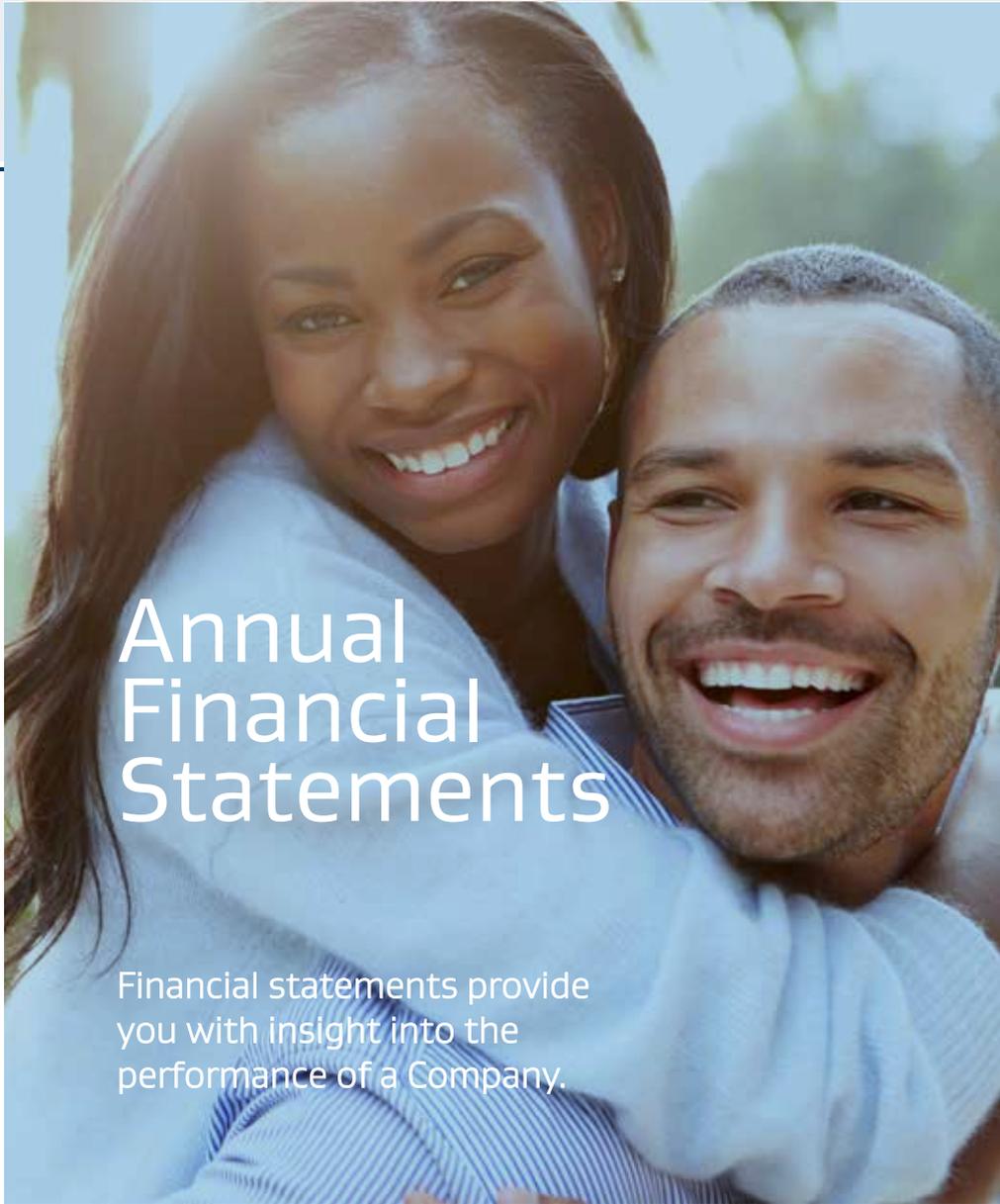
<b>Chairman:</b>	<b>N Manyika</b>
<b>Members:</b>	<b>How the Committee contributes to Board effectiveness</b>
TR Madiba K Njobe KH Setzin (resigned on 14 September 2020)	Assists the Board in overseeing the Group's financial statements; the qualification and independence of external auditors; the scope and effectiveness of the external audit functions; the effectiveness of the Group's internal controls and the internal audit support provided by SSA to the Group; and compliance with legal and regulatory requirements that have an impact on the financial statements and the accounting and financial reporting systems of the Group.
<b>Attendance:</b>	<b>Key matters considered in 2020:</b>
<b>2 meetings</b> 28 October 2019 23 March 2020 <b>100% attendance</b>	<ul style="list-style-type: none"> <li>• Going concern, solvency and liquidity.</li> <li>• Significant financial reporting, accounting, tax and financial compliance matters.</li> <li>• Interim and final dividend proposals.</li> <li>• External auditor's audit plan, reports and fees.</li> <li>• Sasol assurance services report.</li> <li>• Decision to pass the interim and final dividend.</li> <li>• Statutory financial reporting.</li> <li>• Evaluation of the independence and performance of the external auditors and recommendation of appointment to Shareholders.</li> </ul>

## Social and Ethics Committee



<b>Chairman:</b>	<b>KH Setzin ****</b>
<b>Members:</b>	<b>How the Committee contributes to Board effectiveness</b>
TLB Boikhutso KM Makhetha Z Monnakgotla	Performs the role of the Social and Ethics Committee as contemplated in the Companies Act and its regulations as is applicable having regard to the fact that the Group has no operations or employees; neither does it have assets, save for its indirect investment in SSA. In performing these functions, the Committee places reliance on the work and reporting of any group function of SSA, that has responsibility for any function falling within the role of the Committee.
<b>Attendance:</b>	<b>Key matters considered in 2020:</b>
<b>2 meetings</b> 12 September 2019 9 March 2020 <b>100% attendance</b>	<ul style="list-style-type: none"> <li>• Oversight over the Group's stakeholder engagement.</li> <li>• Reviewing all proposed Shareholder communication plans and making appropriate recommendations to the Board.</li> <li>• Oversight of the compilation of the Annual Report and Interim Financial Results.</li> </ul>

\*\*\*\* resigned on 14 September 2020



# Annual Financial Statements

Financial statements provide you with insight into the performance of a Company.

## Consolidated Financial Statements

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### Preparer of the annual financial statements

The Annual Financial Statements of Sasol Khanyisa Public (RF) Limited have been audited in compliance with section 30 of the South African Companies Act, 2008 as amended. Mr Christo Nel CA(SA), Senior Manager Finance: Group Financial Reporting is responsible for this set of financial statements and has supervised the preparation thereof in conjunction with Ms Tintswalo Mohlakoana CA(SA), Senior Accountant Finance: Group Financial Reporting. The financial statements are reviewed by management, the Sasol Khanyisa Public (RF) Limited Audit Committee, the Board and are audited by the external auditors of the Group.

# Report of the Audit Committee



The Audit Committee (the Committee) presents this report in respect of the year ended 30 June 2020. This report has been prepared based on the requirements of the Companies Act, 71 of 2008 (South Africa) as amended (the Companies Act), the King IV Report on Corporate Governance for South Africa 2016 (King IV) and other applicable regulatory requirements.

## Composition and meetings

The following members of the Committee were in office during the financial year:

N Manyika  
TR Madiba  
K Njobe  
KH Setzin

All the members of the Audit Committee are independent non-executive directors. They are financially literate and most have extensive Audit Committee experience.

The Committee met twice during the financial year and all members of the Committee were in attendance.

## Statutory duties and functions

The Committee is constituted as a statutory committee of Sasol Khanyisa Public (RF) Limited and its subsidiary Sasol Khanyisa Fundco (RF) Limited (the Group) in line with the Companies Act and accountable in this regard to both the Board and the Group's Shareholders.

It is a committee of the Board in respect of all other duties assigned to it by the Board and the Relationship Agreement entered into between Sasol Limited, Sasol Khanyisa Public (RF) Limited, Sasol Khanyisa Fundco (RF) Limited, Sasol South Africa Limited and Sasol Financing Limited on 30 May 2018. In terms of the Relationship Agreement, Sasol South Africa Limited (the administrative agent) provides Sasol Khanyisa Public (RF) Limited and Sasol Khanyisa Fundco (RF) Limited with all necessary services, such as financial, information and risk management, company secretarial, legal compliance and internal audit services.

The Committee obtains assurance from the administrative agent in respect of the functions specifically performed by the Committee in terms of section 94(7) of the Companies Act. The Board annually reviews and approves the Committee's terms of reference in terms of which responsibilities of the Committee include assisting the Board in overseeing the:

- Quality and integrity of Sasol Khanyisa Public (RF) Limited's annual financial statements including the consolidated Group financial statements;
- The qualification and independence of the external auditors of Sasol Khanyisa Public (RF) Limited and its Sasol Khanyisa Fundco (RF) Limited;
- The scope and effectiveness of the Group's internal controls and internal audit function;
- The effectiveness of the external audit function for Sasol Khanyisa Public (RF) Limited and its Sasol Khanyisa Fundco (RF) Limited; and
- Compliance with legal and regulatory requirements to the extent that might have an impact on financial statements.

## Executing on our statutory duties and other areas of responsibilities

### In satisfying its duties, the Committee in particular:

- Considered legal and regulatory compliance requirements and reviewed the internal control environment;
- Concluded that PwC and the designated auditor are qualified and independent of the Company;
- Ensured that the appointment of the auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors;
- Reviewed the quality of the external audit process and concluded it to be satisfactory. It confirmed that no unresolved issues of concern exist between the Group and the external auditors; and
- Reviewed the Sasol Khanyisa transaction and are satisfied with the accounting thereof including the valuation performed.

## Conclusion

The Committee is satisfied that it has complied with all its statutory and other responsibilities.

Having had regard to all material risks and factors that may impact on the integrity of the Group and separate Annual Financial Statements, the Committee recommended the consolidated Annual Financial Statements Sasol Khanyisa Public (RF) Limited and its Sasol Khanyisa Fundco (RF) Limited for the year ended 30 June 2020 for approval to the Board.

On behalf of the Audit Committee

**Nonkululeko Manyika**  
Chairman of the Audit Committee

14 September 2020

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## Approval of the Annual Financial Statements

The Annual Financial Statements for the year ended 30 June 2020 as set out on pages 37 to 48 were approved by the Board of directors on 14 September 2020 and are signed on its behalf by:



**Zanele Monnagotla**  
Chairman of the Board

14 September 2020



**Nonkululeko Manyika**  
Chairman of the Audit Committee

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## Certificate of the Company Secretary

In my capacity as the Company Secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended (the Companies Act), that for the year ended 30 June 2020 Sasol Khanyisa Public (RF) Limited has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public Company in terms of the Companies Act, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up-to-date.



**MML Mokoka**  
For Sasol South Africa Limited

14 September 2020

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## Independent Auditor's Report

To the Shareholders of Sasol Khanyisa Public (RF) Limited

### Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Khanyisa Public (RF) Limited (the Company) and its subsidiary (together the Group) as at 30 June 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

Sasol Khanyisa Public (RF) Limited's consolidated and separate financial statements set out on pages 37 to 48 comprise:

- the consolidated and separate statements of financial position as at 30 June 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

### Other information

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report

### Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: MM Mokone  
Registered Auditor  
Waterfall City

14 September 2020

## Shareholders' information

### Shareholders' diary

Financial year-end	30 June 2020
Annual General Meeting	31 October 2020

### Dividends

An interim ordinary dividend of R0,43 per share was declared for the year ended 30 June 2020 (2019: R0,28 per share).

## Share ownership

at 30 June 2020

Public and non-public shareholding of Sasol Khanyisa ordinary shares	Number of Shareholders	% of Shareholders	Number of shares	% of ordinary shares
Public	207 460	100,00	25 491 546	96,18
Non-public	4	–	1 012 096	3,82
– Directors and their associates	2		997	
– Sasol Khanyisa Warehousing Trust	1		937 812	
– Sasol Foundation Trust	1		73 287	
	207 464	100	26 503 642	100

### Major Shareholders

No individual Shareholder's beneficial shareholding in the Sasol Khanyisa ordinary shares is equal to or exceeds 5%.

## Directors' report

### Dear Shareholders,

The directors have pleasure in presenting their report for the year ended 30 June 2020.

### Nature of business

Sasol Khanyisa Public has a beneficial interest of approximately 9,2% in Sasol South Africa Limited (SSA), which is funded wholly by Sasol Limited (vendor funding). As dividends are declared by SSA, 97,5% are utilised to repay the vendor funding, as well as the related financing cost, calculated at 75% of prime rate. 2,5% of dividends are distributed to participants as a trickle dividend. At the end of the 10-year transaction term, or earlier, should the vendor funding be settled earlier, the net value in SSA shares will be exchanged for SOLBE1 shares on a fair value-for-value basis which will be distributed to participants to the extent of any value created during the transaction term.

The main business of the Group (Sasol Khanyisa Public (RF) Limited and its subsidiary Sasol Khanyisa Fundco (RF) Limited), is to hold shares in SSA on behalf of the Shareholders for the earlier of the 10-year transaction term or settlement of the vendor funding, whereafter, the SSA shares will be automatically exchanged for SOLBE1 shares, to the extent of the net value created. The principal activities of the Company remained unchanged during the year.

Sasol Khanyisa Public (RF) Limited was incorporated on 20 December 2017 and its subsidiary Sasol Khanyisa Fundco (RF) Limited was incorporated on 19 December 2017.

### Financial overview

The current value of SSA is R11,4 billion. The beneficial interest of approximately 9,2% attributable to the Shareholders of Sasol Khanyisa Public (RF) Limited is R1,0 billion whilst the vendor funding balance at 30 June 2020 is R8,6 billion, resulting in no net value created for Shareholders of Sasol Khanyisa Public (RF) Limited as at 30 June 2020. Net value is expected to accrue over the term of the transaction. During the year, a dividend of R662 million was received from SSA. Of this amount, R645 million was utilised to repay the vendor funding to Sasol Limited and R13 million was paid as a trickle dividend to the Company's Shareholders.

### Share capital

Authorised and issued share capital remained unchanged from the previous year.

### Going concern

The directors assessed the Company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead.

### Directors

The directors in office during the year were:

	Appointed:
Ms Z Monnakgotla (Chairman)	1 July 2018
Ms N Manyika	1 July 2018
Mr KH Setzin	1 July 2018
Ms TLB Boikhutso	3 November 2018
Mr TR Madiba	3 November 2018
Mr KM Makhetha	3 November 2018
Ms K Njobe	3 November 2018

## Directors' report

### Subsequent events

SSA declared a final dividend of R6,94 per ordinary share held by Sasol Khanyisa Fundco (RF) Limited on 4 September 2020. The Company declared a dividend of R0,17 per ordinary share to its Shareholders on 14 September 2020.

### Company Secretary

Sasol South Africa Limited acted as the Company Secretary for the Company during the year and its addresses are:

#### Postal address

Private Bag X10014  
Sandton  
2196  
Republic of South Africa

#### Physical address

50 Katherine Street  
Sandton  
2190  
Republic of South Africa

### Registered office

The registered office addresses of the Company are:

#### Postal address

Private Bag X10014  
Sandton  
2196  
Republic of South Africa

#### Physical address

50 Katherine Street  
Sandton  
2190  
Republic of South Africa

## Accounting policies and financial reporting terms

Sasol Khanyisa Public (RF) Limited and its subsidiary Sasol Khanyisa Fundco (RF) Limited (the Group) are domiciled in the Republic of South Africa. Sasol Khanyisa Public (RF) Limited was incorporated on 20 December 2017 and Sasol Khanyisa Fundco (RF) Limited was incorporated on 19 December 2017. The following principal accounting policies were consistently applied by the Group for the year ended 30 June 2020.

### Financial reporting terms

These definitions of financial reporting terms are provided to ensure clarity of meaning as certain terms may not always have the same meaning or interpretation in all countries.

### Group structures

Company	A legal business entity registered in terms of the applicable legislation of that country.
Entity	Sasol Khanyisa Public (RF) Limited or a subsidiary of Sasol Khanyisa Public (RF) Limited.
Group	The Group comprises Sasol Khanyisa Public (RF) Limited and its subsidiary, Sasol Khanyisa Fundco (RF) Limited.
Subsidiary	Any entity over which the Group exercises control.

### General accounting terms

Consolidated Group financial statements	The financial results of the Group which comprise the financial results of Sasol Khanyisa Public (RF) Limited and its subsidiary.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Financial results	Comprise the financial position (assets, liabilities and equity), results of operations (income and expenses) and cash flows of an entity and of the Group.
Functional currency	The currency of the primary economic environment in which an entity operates.
Long-term	A period longer than 12 months from the reporting date.
Presentation currency	The currency in which financial results of an entity are presented.
Related party	Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of the ultimate reporting entity (Sasol Limited).

### Statement of compliance

The consolidated financial statements of Sasol Khanyisa Public (RF) Limited and its subsidiary, Sasol Khanyisa Fundco (RF) Limited are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008 as amended. The financial statements were approved for issue by the Board of directors on 14 September 2020 and will be presented to the Annual General Meeting of Shareholders on 31 October 2020.

## Accounting policies and financial reporting terms

### Principal accounting policies

#### Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, are stated at fair value. The consolidated financial results are presented in Rand, which is Sasol Khanyisa Public (RF) Limited Group's functional and presentation currency, rounded to the nearest thousand.

The consolidated financial statements are prepared on a going concern basis.

#### Accounting policies

The accounting policies applied in the preparation of these financial statements are in terms of IFRS and are consistent with those applied in the annual financial statements for the year ended 30 June 2019, except for the adoption of IFRS 16 "Leases" and the Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosure" and IFRIC 23 "Uncertainty Over Income Tax Treatments" with effect from 1 July 2019. The adoption of these accounting standards had no significant impact on the financial statements.

Accounting standards, interpretations and amendments not yet effective include Amendments to IFRS 3 "Business Combinations", Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", IFRS 17 "Insurance Contracts" and Amendments to IAS 1 "Presentation of Financial Statements". The adoption of these accounting standards are expected to have no significant impact on the financial statements.

#### Basis of consolidation of financial results

The consolidated financial statements reflect the financial results of the Group. All financial results are consolidated with similar items on a line-by-line basis.

A subsidiary is an entity controlled by the Group. The effects of potential voting rights that are substantive are also considered when assessing whether the Group controls another entity. The financial results of the subsidiary are consolidated into the Group's results from acquisition date until disposal date.

#### Financial assets

The Group classifies its financial assets as financial assets at fair value through profit or loss.

The option in Sasol SOLBEI shares is accounted for at net value in the annual financial statements, as permitted by the standard.

Financial assets are recognised on transaction date when the Group becomes a party to the contract and thus obtains rights to receive economic benefits and are derecognised when these rights expire or are transferred.

The expected credit loss on the financial assets was considered, however, due to the balances not being material no calculations were performed.

#### Financial liabilities

Financial liabilities are recognised on the transaction date when the Group becomes a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

Financial liabilities are stated initially on the transaction date at fair value including transaction costs. Subsequently, they are stated at amortised cost using the effective interest method.

#### Cash and cash equivalents

Cash and cash equivalents comprises cash-on-hand and a bank overdraft.

Cash and cash equivalents are stated at amortised cost which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

#### Investment in subsidiary

Investment in subsidiary is stated at cost less impairment losses.

#### Share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

#### Taxation

The income tax charge is determined based on net income before tax for the year and includes deferred tax and dividend withholding tax.

#### Current tax

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates and includes any adjustments to tax payable in respect of prior years.

#### Finance costs

Finance costs, including dividends on preference shares classified as liabilities, are charged to the income statement using the effective interest method.

### Critical accounting estimates and judgements

Management of the Group makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results. Management continually evaluates estimates and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognised in the period in which the estimates are reviewed and in any future periods affected.

The use of inappropriate assumptions in calculations for any of these estimates could result in a significant impact on financial results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets are included in Note 1, long-term financial assets.

The fair value of the option over Sasol Limited shares is derived from the Monte-Carlo option pricing model, the detail of the assumptions used is included in Note 1. This is an option pricing model reflective of the underlying characteristics of each part of the transaction and calculated using the assumptions for, risk-free interest rate, expected volatility and the expected dividend yield.

## Accounting policies and financial reporting terms

### Areas of judgement:

The measurement of the fair value of the option over Sasol Limited shares is subject to estimation and judgement, as there are a number of variables affecting the Monte-Carlo option pricing model used in the calculation. This value is determined with reference to the extent the fair value of SSA and any dividends declared by SSA is expected to exceed any outstanding vendor financing at the end of the transaction period.

- Equity value attributable to participants:

The value attributable to the participants by virtue of their shareholding in SSA was calculated with reference to the expected future cash flows and budgets of the SSA Group. The underlying macroeconomic assumptions utilised for this valuation are based on latest forecast and estimates and include Brent crude oil prices, Rand/US\$ exchange rates and pricing assumptions.

- Forecasted dividend yield:

The forecasted dividend yield of the SSA Group was calculated based on a benchmarked EBITDA multiple, and the available free cash flow anticipated over the term of the transaction of 10 years.

- Other assumptions:

Impacts of non-transferability and appropriate minority and liquidity discounts have also been taken into account. Discount rates applied incorporate the relevant debt and equity costs of the Group, and are aligned to the WACC rates for the entity.

- A zero-coupon Rand interest rate swap curve was constructed and utilised as an appropriate representation of a risk-free interest rate curve.

- A Rand prime interest rate curve was estimated utilising the historical Rand Prime Index and the three-month Johannesburg Interbank Agreed Rate.

## Statement of financial position

at 30 June

	Note	Group		Company	
		2020 R'000	2019 R'000	2020 R'000	2019 R'000
<b>Assets</b>					
<b>Non-current assets</b>					
Long-term financial assets	1	–	–	–	–
Investment in subsidiary*	2	–	–	–	–
<b>Current assets</b>					
Other receivables		192	4	177	7
Bank		4 528	652	3 405	556
<b>Total assets</b>		<b>4 720</b>	<b>656</b>	<b>3 582</b>	<b>563</b>
<b>Equity and liabilities</b>					
Shareholders' equity		4 719	171	3 582	171
<b>Current liabilities</b>					
Other payables		1	485	–	392
<b>Total equity and liabilities</b>		<b>4 720</b>	<b>656</b>	<b>3 582</b>	<b>563</b>

\* Nominal amount less than R1 000.

## Statement of comprehensive income

for the year ended 30 June

Note	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Other expenses*	–	–	–	–
<b>Profit from operations</b>	–	–	–	–
Finance income**	17 752	7 582	16 615	7 582
<b>Profit before tax</b>	17 752	7 582	16 615	7 582
Taxation	–	–	–	–
<b>Profit and total comprehensive income for the year</b>	17 752	7 582	16 615	7 582

\* All reasonable administration costs of the Company are invoiced to and funded by SSA but only up to the end of the Sasol Khanyisa Empowerment period (2028 or earlier).

\*\* Includes the trickle dividend received from Sasol South Africa Limited of R16,5 million and interest received of R1,2 million.

## Statement of changes in equity

for the year ended 30 June

	Group		
	Share capital Note 3 R'000	Retained earnings R'000	Total Shareholders' equity R'000
Shares issued	10	–	10
Total comprehensive income for the period*	–	7 582	7 582
Dividends paid	–	(7 421)	(7 421)
<b>Balance at 30 June 2019</b>	10	161	171
Total comprehensive income for the year	–	17 752	17 752
Dividends paid	–	(13 204)	(13 204)
<b>Balance at 30 June 2020</b>	10	4 709	4 719

\* Nominal amount less than R1 000.

	Company		
	Share capital Note 3 R'000	Retained earnings R'000	Total Shareholders' equity R'000
Shares issued	10	–	10
Total comprehensive income for the period*	–	7 582	7 582
Dividends paid	–	(7 421)	(7 421)
<b>Balance at 30 June 2019</b>	10	161	171
Total comprehensive income for the year	–	16 615	16 615
Dividends paid	–	(13 204)	(13 204)
<b>Balance at 30 June 2020</b>	10	3 572	3 582

\* Nominal amount less than R1 000.

# Statement of cash flows

for the year ended 30 June

	Note	Group		Company	
		2020 R'000	2019 R'000	2020 R'000	2019 R'000
<b>Movement in other payables and receivables</b>		<b>(672)</b>	388	<b>(562)</b>	387
Finance income received*	1	663 039	303 297	16 615	7 580
Dividends paid	1	(13 204)	(7 421)	(13 204)	(7 421)
<b>Cash retained from operating activities</b>		<b>649 163</b>	<b>296 264</b>	<b>2 849</b>	<b>546</b>
Repayment of preference share debt**	1	(645 287)	(295 622)	–	–
<b>Cash generated by financing activities</b>		<b>(645 287)</b>	<b>(295 622)</b>	<b>–</b>	<b>–</b>
<b>Increase in cash and cash equivalents</b>		<b>3 876</b>	642	<b>2 849</b>	546
Cash and cash equivalents at the beginning of year		652	10	556	10
<b>Cash and cash equivalents at the end of the year</b>		<b>4 528</b>	652	<b>3 405</b>	556

\* Mainly includes the trickle dividend received from Sasol South Africa Limited.

\*\* Refer to Note 1 for further details on the repayment of the preference share debt.

# Notes to the financial statements

for the year ended 30 June

## 1 Long-term financial assets

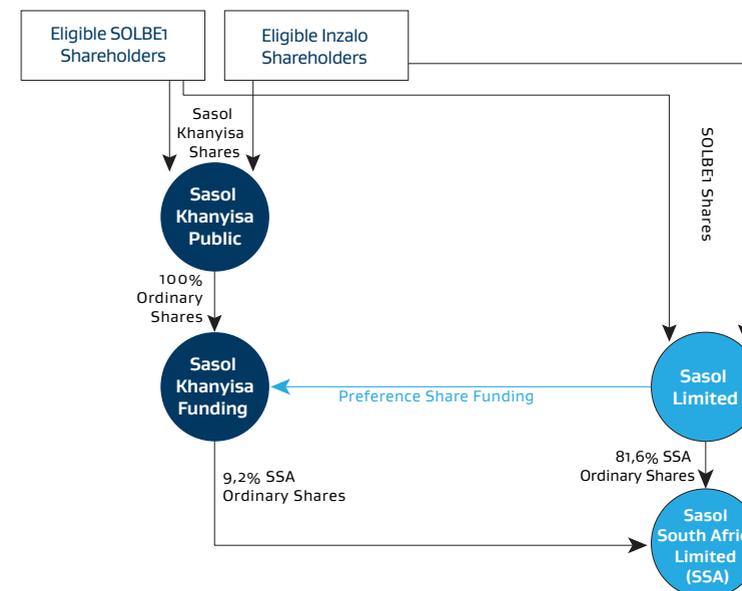
On 1 June 2018 (in the previous financial year) Sasol Khanyisa Fundco (RF) Limited subscribed for 26 503 642 ordinary shares in the issued share capital of Sasol South Africa Limited (SSA), resulting in Sasol Khanyisa Fundco (RF) Limited directly, and Sasol Khanyisa Public indirectly, owning approximately 9,2% of the total issued share capital of SSA. This was part of the implementation of Sasol's new black-economic empowerment scheme, Sasol Khanyisa, that was approved by the Sasol Shareholders in November 2017.

SSA is a subsidiary of Sasol Limited and houses the majority of the Group's South African operations.

The acquisition of the Sasol Khanyisa ordinary shares in SSA was funded by way of preference share funding of R8,3 billion (vendor funding) from Sasol Limited. The vendor funding attracts interest at 75% of the SA prime interest rate and will be repaid during the 10-year empowerment period or earlier.

As dividends are declared by SSA, 97,5% of these will be utilised to repay the vendor funding, as well as the related financing cost, calculated at 75% of prime rate. 2,5% of dividends will be distributed to Sasol Khanyisa Public Ordinary Shareholders as a trickle dividend. At the end of the 10-year transaction term, or earlier, if the vendor funding is repaid, the net value in SSA shares will be exchanged for SOLBE1 shares on a fair value-for-value basis which will be distributed to Shareholders. Any vendor funding not yet settled by the end of the transaction term will be settled using the net value of the SSA shares, and will reduce any distribution made to participants.

Since any ultimate value created for Shareholders will be granted in the form of SOLBE1 shares, the accounting for this transaction is similar to an option over Sasol ordinary shares granted for no consideration.



## Notes to the financial statements

### 1 Long-term financial assets (continued)

A total dividend of R661,8 million (2019: R303,3 million) was received from SSA. Of this amount, R645,3 million was utilised by Fundco to repay the vendor funding and R13,2 million was paid as a dividend to Sasol Khanyisa Public Shareholders.

	2020 R'000	2019 R'000
for the year ended 30 June		
Total dividends received from SSA	661 833	303 297
Dividend paid to Sasol Limited	97,5% 645 287	295 622
Dividend paid to Sasol Khanyisa Public Shareholders	2,5% 13 204	7 421
<b>Sasol Khanyisa Transaction</b>		
Vendor funding balance <sup>1</sup>	8 621 218	8 654 670
Portion of SSA fair value <sup>2</sup>	1 043 065	8 121 000
Net value created <sup>3</sup>	–	–

1 Consists of initial vendor funding provided of R8,3 billion and interest accrued to date of R1,3 billion. During the financial year R645,3 million (2019: R295,6 million) of the vendor funding was repaid.

2 Represents 9,2% of the fair value of Sasol South Africa Limited (SSA) which decreased significantly to R11,4 billion during the year. SSA's financial results for the year ended 30 June 2020 were impacted by the COVID-19 pandemic and a severe decline in crude oil and chemical product prices. The impact of the weak macro-economic environment was partly mitigated by a strong cash cost, working capital and capital expenditure performance. The impact of the COVID-19 pandemic on the outlook for product prices and demand has resulted in significant impairments across many of the South African cash-generating units of SSA.

3 No net value created for Shareholders of Sasol Khanyisa Public as at 30 June 2020 (2019: Rnil), however, net value is expected to accrue over the term of the transaction.

The strike price value at 30 June 2020 is R325,28 (2019: R326,55) and represents the remaining vendor funding per share. The weighted average fair value price will move closer to the strike price over the transaction period as certainty of dividends declared by SSA is expected to exceed outstanding vendor financing.

The fair value of the option in SOLBEI shares, as independently calculated by a third party, is R101 million (2019: R1,7 billion) as at 30 June 2020, based on a weighted average fair value of R3,82 (2019: R69,39) and 26 503 642 Sasol Khanyisa ordinary shares. This was derived using the Monte Carlo option pricing model which is reflective of the underlying characteristics of each part of the transaction and was calculated using the following assumptions at 30 June 2020:

- The risk-free rate of 6,66% (2019: 7,67%) for periods within the contractual term of the share rights is based on a zero-coupon Rand swap curve at the time of the grant.
- The expected volatility of 53,31% (2019: 28,53%) in the value of the share rights granted is determined using the historical volatility of the Sasol share price.
- The expected dividend yield 5% (2019: 8,9% – 13,9%) of the share rights granted is determined using the expected term structure of dividend yields on the underlying equity value over the life of the transaction.
- The strike price value is R325,28 per share, represents the remaining vendor funding of R8,6 billion as at 30 June 2020. Interest accrues at 5,4%, which is 75% of the South African prime interest rate.
- The fair value of Sasol South Africa Limited at 30 June 2020 is at R11,4 billion.

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
<b>2 Investment in subsidiary</b>				
<b>Reflected as non-current asset</b>				
Shares at cost*	–	–	–	–

\* Nominal amount less than R1 000.

Sasol Khanyisa Fundco (RF) Limited incorporated on 19 December 2017 is a wholly-owned subsidiary of Sasol Khanyisa Public (RF) Limited.

Fundco was established to hold the Sasol Khanyisa ordinary shares in Sasol South Africa Limited as part of the implementation of Sasol's new black-economic empowerment scheme Sasol Khanyisa, for further details refer to note 1.

	Group and Company	
	2020 R'000	2019 R'000
for the year ended 30 June		
<b>3 Share capital</b>		
Issued share capital (as per statement of changes in equity)	10	10

	Group and Company Number of shares	
	2020	2019
<b>Authorised – no par value shares</b>		
A ordinary share	1	1
B ordinary share	1	1
Non-participating RF share	1	1
Ordinary shares	30 000 000	30 000 000
Unclassified shares	10 000	10 000
	<b>30 010 003</b>	30 010 003
<b>Issued – no par value shares</b>		
Shares issued at beginning of year	26 503 644	26 503 644
<b>Shares issued at end of year</b>	<b>26 503 644</b>	26 503 644
<b>Comprising</b>		
B ordinary share	1	1
Non-participating RF share	1	1
Ordinary shares	26 503 642	26 503 642
	<b>26 503 644</b>	26 503 644

## Notes to the financial statements

### 4 Related party transactions

A related party is an entity or person where the Sasol Group can exercise influence or significant influence or which is controlled by the Sasol Group. The effect of these transactions is included in the financial performance and results of the Company. Terms and conditions are determined on an arm's-length basis. Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items.

#### Material related party transactions were as follows:

The following table shows the material transactions that are included in the financial statements.

	Group	
	2020 R'000	2019 R'000
<b>Sasol South Africa Limited</b>		
Investment in share capital of Sasol South Africa Limited	1 043 065	8 121 000
Dividends received	661 833	303 297
<b>Sasol Limited</b>		
Vendor funding (preference share subscription)	8 621 218	8 654 670
Vendor funding repayment (preference dividend) – refer to Note 1	645 287	295 622

### 5 Subsequent events

Sasol South Africa Limited declared a dividend of R6,94 per ordinary share held by Sasol Khanyisa Fundco (RF) Limited on 4 September 2020. The Company declared a dividend of R0,17 per ordinary share to its Shareholders on 14 September 2020.

### 6 Going concern

The directors' have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead.

### 7 Financial risk management and financial instruments

The Company is exposed in varying degrees to a variety of financial instrument-related risks.

#### Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The financial risks to which the Group is exposed are inherent within the transaction mechanics, which cannot be changed or affected by the Board.

The creation of net value for participants is affected by financial risks which include interest rates and, mainly, the cash flows and equity value of Sasol South Africa Limited.

The cash flows and equity value of Sasol South Africa Limited are affected by various risks including, *inter alia*, commodity price risk and exchange rate risk. The Sasol Khanyisa Public Group has representation on the Board of directors of Sasol South Africa Limited, where the risks affecting cash flows and overall value are managed.

## Managing your investment

### If you have any queries regarding your Sasol Khanyisa Public Investment, please contact Link Market Services

Link Market Services has been appointed by Sasol Khanyisa Public to act as their Transfer Secretaries.

Link Market Services administers all matters relating to your shares and personal details.

Link Market Services manages a dedicated Call Centre with agents who will be able to assist Shareholders in various languages.

### Updating your personal and banking details

Keeping your personal and contact details updated is important.

Sasol Khanyisa Public can only communicate with you, if they have your up-to-date information. In the event of dividends being distributed, they need your up-to-date bank account details.

If any of your personal details need to be updated, please advise Link Market Services

Whether face-to-face or via their electronic channels, you can contact Link Market Services as follows:



**Via the Call Centre:**

0800 800 010  
(South African calls)  
+27(0)11 035 0100  
(International calls)



**Visit the Link Market Services walk-in centre:**

13th Floor  
19 Ameshoff Street  
Braamfontein, Johannesburg



**Via email:**

sasol@linkmarketservices.co.za

### Staying informed

For regular updates about Sasol Khanyisa, visit website: [www.sasolkhanyisa.com](http://www.sasolkhanyisa.com)

### Please Note

Link Market Services will accept documents sent electronically to [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za). Documents sent through post or courier must be original certified copies while documents delivered to the Link Market Service offices can be original documents or original certified copies.

### WHAT HAPPENS IF YOU DIE?

If you die, your shares will be transferred to your heir/s who must be a black person or a black controlled entity as defined in the B-BBEE Codes.

In the event of your death, the Executor of your Estate will need to inform Link Market Services of your death.

Link Market Services will need the following documents:

- Death certificate
- Executor appointment letter and ID copy
- Executor's Service Bill not older than three months
- Power of Attorney if applicable
- Estate Late Bank details not older than three months
- Additional documentation may be required from time to time

Notes



**FORM OF PROXY  
FOR ANNUAL GENERAL MEETING  
Sasol Khanyisa Public (RF) Limited**

Registration number 2017/663901/06

Identity number/Registration number

For use at the 3rd Annual General Meeting (AGM) of the Shareholders of Sasol Khanyisa Public (RF) Limited ("Sasol Khanyisa" or "the Company") to be held entirely via Electronic Communication at 10:00 on Saturday, 31 October 2020.

Please mark this block with an "X" if you have nominated another person to vote on your behalf

I/We \_\_\_\_\_ (Please print full names)  
of \_\_\_\_\_ (address)  
appoint \_\_\_\_\_

or failing him/her the Chairman of the meeting as my/our proxy to attend, participate in and speak and, on a poll, to vote for me/us and on my/our behalf at the Online AGM of the Company which will be held on Saturday, 31 October 2020 at 10:00, South African time (see note 4), as follows:

		Number of voting rights (insert):		
		For	Against	Abstain
<b>Ordinary resolutions</b>				
1.	To re-elect each by way of a separate vote, the following directors retiring in terms of clause 22.2.4 of the Company's memorandum of incorporation:			
	1.1 Ms N Manyika			
	1.2 Ms Z Monnakgotla			
	1.3 Mr KH Setzin			
2.	To appoint PricewaterhouseCoopers Inc. to act as independent auditor of the Company and the Group for the financial year ending 30 June 2021 until the end of the next Annual General Meeting.			
3.	To vote on the election, each by way of a separate vote, of the members of the Audit Committee of the Company, to hold office until the end of the next Annual General Meeting:			
	3.1 Ms N Manyika (subject to her being elected as a director in terms of ordinary resolution number 1.1)			
	3.2 Mr TR Madiba			
	3.3 Ms K Njobe			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2020

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Name \_\_\_\_\_ Capacity \_\_\_\_\_ Signature \_\_\_\_\_

**Each holder entitled to attend and vote at the Online AGM is entitled to appoint one individual as proxy to attend, participate in, speak and vote or abstain from voting in his/her/its stead. A proxy need not be a person entitled to vote at the meeting.**

My/our proxy may (subject to any restriction set out herein)/may not delegate the proxies authority to act on behalf of me/us to another person (delete as appropriate).

**This Form of Proxy will lapse and cease to be of force and effect immediately after the Online AGM of the Company to be held entirely via electronic communication on Saturday, 31 October 2020 at 10:00 or any adjournment(s) thereof, unless it is revoked earlier.**

## Notes to Form of Proxy

1. Holders are advised that the Company has appointed Link Market Services South Africa (Pty) Ltd as its proxy solicitation agent.
2. Proxy appointment must be in writing, dated and signed by the holder.
3. Forms of Proxy must be presented to a representative of Link Market Services South Africa (Pty) Ltd to be received at their offices preferably by close of business on Thursday, 29 October 2020.
4. A holder may insert the name of a proxy in the space provided, with or without deleting "the Chairman of the meeting". Any such deletion must be initialled by the holder.
5. A holder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as he deems fit, in respect of all the holder's voting rights exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A holder or his proxy is not obliged to use all the voting rights exercisable by the holder or by his proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the holder or by his proxy.
7. A holder's authorisation to the proxy, including the Chairman of the meeting, to vote on his or her behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
8. The completion and presentation of this Form of Proxy will not preclude the relevant holder from Participating in the AGM by way of electronic communication to the exclusion of any proxy appointed in terms hereof should such holder wish to do so. In order for a holder to Participate in the Online AGM, he/she/it must have been verified and authenticated by Link Market Services South Africa (Pty) Ltd in accordance with the process detailed in paragraphs 5 and 6 of the Notice of Annual General Meeting.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialled by the signatory(ies).
11. A holder may revoke the proxy appointment by:
  - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - (ii) delivering a copy of the revocation instrument to the proxy and to the Company at 19 Ameshoff Street, 13th Floor, Braamfontein, Johannesburg 2000, South Africa, to be received before the replacement proxy exercises any rights of the holder at the AGM of the Company to be held entirely by way of electronic communication at 10:00 on Saturday, 31 October 2020 or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of:
  - (i) the date stated in the revocation instrument, if any; or
  - (ii) the date on which the revocation instrument was delivered as required in paragraph 11 (ii).

### To be lodged with:

#### Link Market Services South Africa (Pty) Ltd

PO Box 4844, Johannesburg, 2000  
19 Ameshoff Street, 13th Floor, Braamfontein, Johannesburg, 2000, South Africa

### Shareholder information helpline

We have reserved 0800 800 010 as our information helpline. For assistance with Annual General Meeting queries and Forms of Proxy:

**Telephone:** +27(0)11 035 0100

**Email:** [sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za)

## Contact information

### Registered office:

Sasol Place  
50 Katherine Street  
Sandton  
Johannesburg 2196

Private Bag X10014  
Sandton 2146  
South Africa

### Share registrars:

Link Market Services South Africa (Pty) Ltd  
13th Floor, 19 Ameshoff Street  
Braamfontein, Johannesburg  
South Africa

PO Box 4844  
Johannesburg 2000 South Africa  
Telephone: +27 11 035 0100

### Information helpline:

0800 800 010

### Email:

[sasol@linkmarketservices.co.za](mailto:sasol@linkmarketservices.co.za)

### Directors (non-executive):

Mr KH Setzin (Chairman)  
Ms TLB Boikhutso  
Mr TR Madiba  
Mr KM Makhetha  
Ms N Manyika  
Ms Z Monnakgotla  
Ms K Njobe

### Company secretary:

Sasol South Africa Limited

### Company registration number:

2017/663901/06, incorporated in the Republic of South Africa

### Income tax reference number:

9033786253



[www.sasolkhanyisa.com](http://www.sasolkhanyisa.com)