



SASOL



SASOL INZALO  
PUBLIC LIMITED  
(RF)

## ANNUAL GENERAL MEETING

“TRADING ON THE JSE LIMITED’S EMPOWERMENT SEGMENT”

12 NOVEMBER 2016

**SASOL INZALO PUBLIC LIMITED (RF)**  
**Annual General Meeting 2016**  
Trading on the JSE Limited’s Empowerment  
Segment

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Thank you chair. A very warm welcome to all of you. Thank you for joining us at the 2016 Sasol Inzalo Public Annual General Meeting. As the chairman has explained, I'm here to update you on how you, as the shareholders of Sasol Inzalo Public, can buy and sell your Sasol Inzalo ordinary shares on the JSE's Empowerment Segment. I will also explain to you what influences the share price of Sasol Inzalo Public Limited as well as our underlying investment, which is Sasol Limited.

Please note that for the remainder of the presentation, I will refer to the JSE's Empowerment Segment as "The Empowerment Segment". Let's get started.

## Overview



- On 21 November 2015 shareholders approved the listing of the Sasol Inzalo ordinary shares on the JSE Limited's Empowerment Segment (Empowerment Segment)
- On 1 December 2015 the Sasol Inzalo ordinary shares were listed on the Empowerment Segment




Photo: Mphahlele

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Before we can go into detail on how you can trade your Sasol Inzalo ordinary shares on the Empowerment Segment, let's first look at how we got here.

At the 2015 Annual General Meeting held on 21 November 2015, Sasol Inzalo ordinary shareholders approved the listing of the Sasol Inzalo ordinary shares on the Empowerment Segment. On 1 December 2015 these shares were listed on the Empowerment Segment, making it possible for Sasol Inzalo ordinary shareholders to trade them with other Black people. This includes Africans, Coloureds, Chinese and Indians.

Why did we have to list on the JSE, you may be wondering? Well, Sasol Inzalo Public's listing on the JSE follows a new requirement by the Financial Services Board that all trading of shares must be conducted on an exchange that is licensed under the Financial Markets Act 2012 (Act No 19 of 2012). By listing on the Empowerment Segment, Sasol Inzalo Public was complying with all regulatory requirements.

**Overview** 

- **Last trade before listing on the Empowerment Segment:**
  - R45,12 per share (November 2015)
- **First trade on the Empowerment Segment:**
  - R21,60 per share (10 February 2016)
- **The closing price on 31 October 2016 was R41,90 per share**
- **Trade statistics for the period 1 December 2015 to 31 October 2016:**

Number of trades	Value of trades	Volume of shares traded
202	R2 504 904	60 857

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Before this, Sasol Inzalo ordinary shareholders were able to trade their Sasol Inzalo ordinary shares on a trading platform managed by Computershare. This was from 2011. To comply with the new legislation, trading on this trading platform was suspended in November 2015. Prior to listing on the Empowerment Segment, these shares traded at R45,12 per share.

The first trade on the new platform, the Empowerment Segment, took place on 10 February 2016. This was at a price of R21,60 per share. What determined the share price was what buyers were willing to pay for the newly listed shares.

Since listing on the Empowerment Segment in December last year, a total of 60 857 Sasol Inzalo ordinary shares have been traded amounting to R2,5 million. The closing price on 31 October 2016 was R41,90 per share.

**How to trade on the Empowerment Segment** 

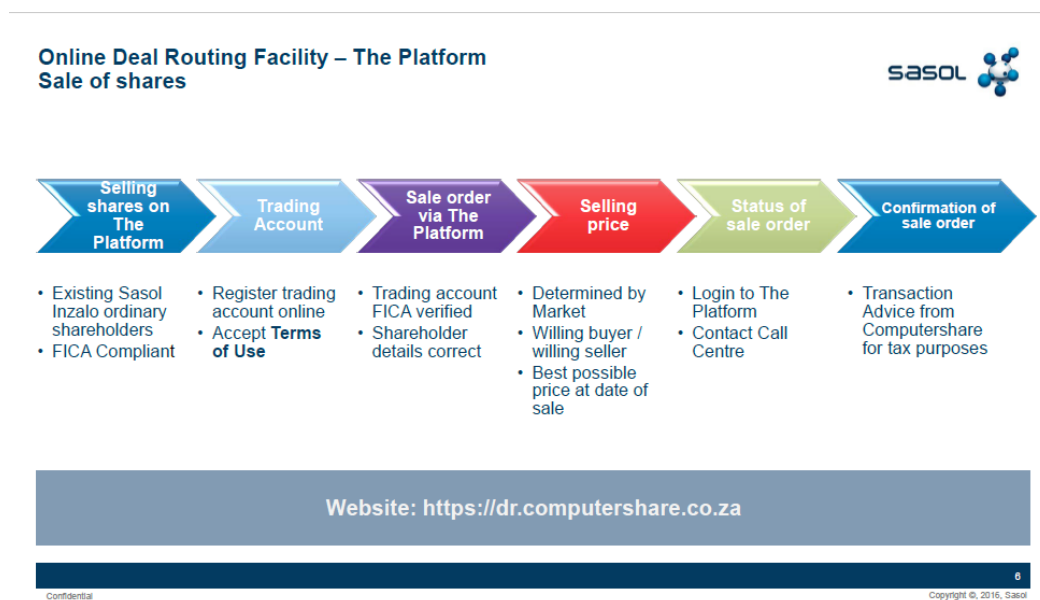
- **At the Annual General Meeting held on 21 November 2016 shareholders were able to view videos on how to trade on the Empowerment Segment**
- **Topics discussed in the videos were:**
  - How to buy shares
  - Documentation required by current and potential shareholders in order to buy shares
  - How to sell shares
  - Costs involved in trading

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Before I proceed to tell you about the exciting changes to the way that you can trade on the Empowerment Segment and explain the various factors that impact the share price, I would now like to show you the “How to trade” videos again.

These videos explain how to buy and sell shares on the Empowerment Segment and what documentation current and potential shareholders will need to complete in order to trade on the Empowerment Segment. Shareholders are also advised that there are costs involved in trading on the Empowerment Segment.

These videos are available on our Sasol Inzalo website.



Now that we have refreshed our memory of how to trade on the Empowerment Segment, I have some more exciting news. Existing Sasol Inzalo ordinary shareholders can now also sell their shares online through Computershare’s Online Deal Routing Facility, which I will refer to as “The Platform”.

Let us unpack the process which existing shareholders will need to follow in order to sell their shares on The Platform:



- Existing Sasol Inzalo ordinary shareholders
- FICA Compliant

**Step 1:**

- You need to be an existing Sasol Inzalo ordinary shareholder in order to trade on The Platform.
- You also need to have been FICA verified by Computershare.



- Register trading account online
- Accept **Terms of Use**

**Step 2:**

- Shareholders will need to register their trading account online. As mentioned in the videos, each shareholder will need a trading account in order to buy or sell shares on the Empowerment Segment.
- Once you have registered your trading account you will need to accept the Terms of Use before being able to place a **sale order**. This is the process that you follow in order to place your shares on The Platform so that buyers can see that there are shares available to purchase.



- Trading account FICA verified
- Shareholder details correct

**Step 3:**

- Contact the Computershare Call Centre on 0800 000 222 to have your trading account FICA verified. This is very important.
- If Computershare has not yet FICA verified your trading account, you will not be able to proceed to place a sale order.
- Also ensure that your details are correctly reflected on The Platform.



- Determined by Market
- Willing buyer / willing seller
- Best possible price at date of sale

**Step 4:**

- Once your online trading account has been FICA verified and you have made sure that your details are correct, you can proceed to place a sale order.
- It is important to note that it is the market that determines the selling price of your shares. So your shares will be sold at the best possible price at date of sale.
- To be able to sell your shares, there must be buyers who are willing to buy them.
- Once there are buyers, the shares can be sold through The Platform.



- Login to The Platform
- Contact Call Centre

**Step 5:**

Once you have placed your sale order you can keep track of the status of the sale by either:

1. Logging onto The Platform; or
2. Contacting the Computershare Call Centre



- Transaction advice from Computershare for tax purposes

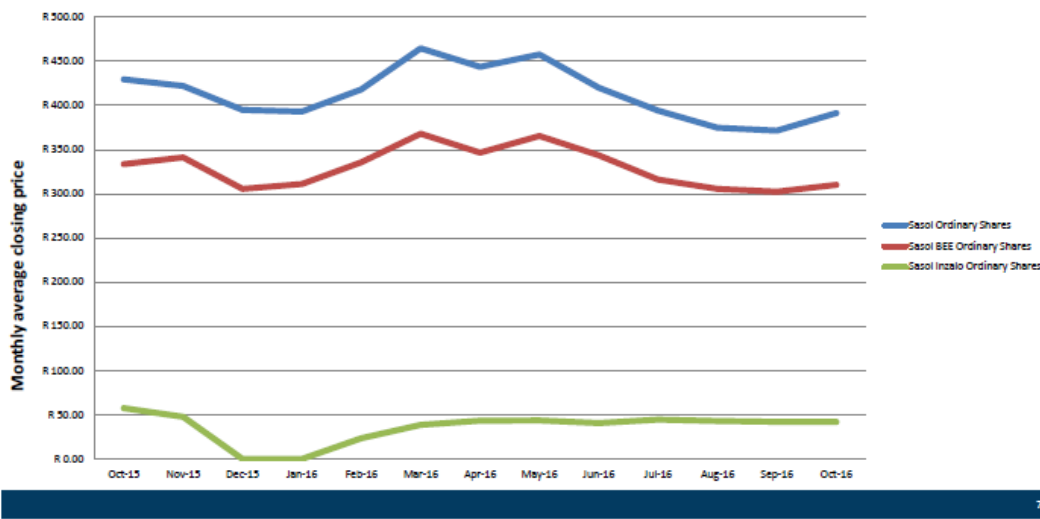
**Step 6:**

- Once your Sasol Inzalo ordinary shares have been sold you will receive a Transaction Advice from Computershare.
- The Transaction Advice can be used for tax purposes.
- The money from the sale of the shares will be deposited directly into the bank account that you provided Computershare with as part of the FICA verification process.

Again, the Online Deal Routing Facility can only be used by existing shareholders to sell their shares.

Should existing or potential shareholders wish to buy shares they will need to contact Computershare telephonically. Computershare will then request them to provide a completed and signed BEE Contract, a Naturalisation Affidavit and all relevant FICA documentation before the existing or potential shareholders can be able to trade on the Empowerment Segment. Computershare will provide existing and potential shareholders with the BEE Contract and Naturalisation Affidavit. They will also tell existing or potential shareholders which FICA documentation must be provided.

Historical listed share prices



Now that we have discussed how to trade on the Empowerment Segment of the JSE, let us look at the factors that influence our share price.

The graph on the screen shows the historical listed share prices for Sasol's ordinary shares, its BEE ordinary shares as well as the Sasol Inzalo ordinary shares.

The graph reflects the average monthly closing price, per share, for the period 1 October 2015 to 31 October 2016.

Let's start by looking at the factors that influence Sasol Limited's share price.

- As you can see on the graph the Sasol ordinary share price in October 2015 was R429,56 per share. In March 2016 it peaked at R464,63 per share but then, on 31 October 2016, it dropped down to R391,38 per share. The fluctuation in the share price can be attributed to two things: those factors that Sasol has control over; and those factors that are beyond Sasol's control.

#### Factors that influence Sasol Limited and Sasol Inzalo Public's share price



##### Sasol Limited

Within Sasol's control	Beyond Sasol's control
Production volumes	Oil price
Cost containment	Foreign currency movements (US\$1 = ZAR)
Delivery of capital projects	Chemicals prices (\$/ton) vs Brent (\$/bbl)
	Fluctuation in Commodity prices

#### Factors within Sasol's control:

The factors that are within Sasol's control include its production volumes, the company's ability to contain its operating costs and its ability to deliver on capital projects. These are the large investment projects that Sasol has underway to ensure that the company continues to be sustainable.

#### Factors that are outside Sasol's control:

These unfortunately are the factors that could have the biggest impact on Sasol's share price. These include the low oil price, the performance of the Rand against the US Dollar, and fluctuation in commodity prices. These factors can negatively affect Sasol's share price.

**Factors that influence Sasol Limited and Sasol Inzalo Public's share price**



**Sasol BEE Ordinary shares**

- The same factors that influence Sasol Limited share price
- Trading on the Empowerment Segment restricted to BEE Compliant persons
  - Trading at a discount
  - Affects liquidity of shares

The Sasol BEE ordinary share price is also influenced by the same factors that influence the share price of the Sasol ordinary shares.

You will notice that these shares do not trade at the same share price as the Sasol ordinary shares. This is mainly because the Sasol BEE ordinary shares trade on the Empowerment Segment, which is restricted to only BEE Compliant persons. This affects the liquidity of the shares, which is how easily the shares can be bought or sold.

**Factors that influence Sasol Limited and Sasol Inzalo Public's share price**



**Sasol Inzalo Public**

- The same factors that influence Sasol Limited share price
  - Sasol Limited – underlying investment
- Sasol Inzalo ordinary share price determined by the market : willing buyer / willing seller
- Trading on the Empowerment Segment restricted to BEE Compliant persons
  - Affects liquidity of shares
- Debt



**Factors that influence the Sasol Inzalo ordinary share price:**

Now let us have a look at the factors that influence the Sasol Inzalo ordinary share price.

As you can see on the graph the Sasol Inzalo ordinary share price was R57,55 per share in October 2015. As there were no trades in December 2015 and January 2016, the share price was zero.

After the first trade took place in February 2016 at a price of R21,60 per share, there was a steady increase in the share price until April 2016.

Between April 2016 and October 2016, Sasol Inzalo ordinary shares have traded between R40,58 and R44,50 per share.

The same factors that influence the Sasol ordinary share price also influence the share price of the Sasol Inzalo ordinary shares.

As with the Sasol BEE ordinary shares, the liquidity of the Sasol Inzalo ordinary shares is impacted by the restriction on trading on the Empowerment Segment.

There's also a fundamental difference in the three types of shares we have discussed. One of the most important ones is that there is debt attached to the Sasol Inzalo ordinary shares. What do I mean?

Remember that in 2008 when the Sasol Inzalo scheme came into effect, the shares were issued at R366,00 per share but shareholders only had to pay R18,30 per share? In order to make this happen and make the Sasol Inzalo shares affordable to qualifying persons, Sasol obtained loans from various banks to fund the difference between the R366,00 share price per share and the R18,30 per share that shareholders paid to own the shares. The agreement with the banks was that these loans will need to be paid back by the end of the 10 year period of the transaction.

I hope that I have been able to provide you with a better understanding of what specific factors affect the Sasol ordinary shares, Sasol BEE ordinary shares and the Sasol Inzalo ordinary shares.

Where to find the share prices



<http://www.sasolinzalo.com/>

**Indicators**

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JSE Sasol Ordinary Share (ZAR cents value)	37050
NYSE Share Price (US\$ value)	27.32
ICE Brent (US\$ value)	46.280
JSE Sasol BEE Ordinary Share (ZAR cents value)	27500
Rand - US Dollar Exchange Rate	13.3907
Sasol Inzalo Public Limited	4195

And lastly, to find out the Sasol Inzalo ordinary share price, visit our website ([www.sasolinzalo.com](http://www.sasolinzalo.com)). You can also contact the Call Centre on 0800 000 222. The share price, on 8 November 2016, was 4195 per share. It is important to note that the share prices are indicated in cents and not in rands. The share price of the Sasol Inzalo ordinary shares, on 8 November 2016, was therefore R41,95.

And now I would like to invite the representatives from Computershare to join me on stage to answer your questions. Mubeen Akojee and Estelle de Wet will be able to answer any questions you may have regarding the Online Deal Routing Facility while Dashni Sinivasan will be able to assist with any questions regarding share prices.

I now open the floor for questions.

I will now hand over to the Chairman.