

sasol
reaching new frontiers



global rewards

International assignments and related remuneration methodology

Sasol Company Overview

SASOL
reaching new frontiers



- Established in 1950 in Sasolburg
- Oil crisis prompted commissioning of two new Synfuels plants in the eighties in Secunda
- Privatised and listed on the Johannesburg Stock Exchange in 1979 and on the New York Stock Exchange in April 2003
- Today:
 - Sasol employs approx. 31 500 people (\pm 27 500 in South Africa plus \pm 4 000 offshore)
 - Supplies more than 200 products to customers in 90 countries
- Sasol is the world's leading beneficiator of coal to fuels and petrochemicals

Evolution of International Assignments



September 1998

- Start up of HR International office
- 18 Expats in 5 countries
- No policies, structure or governance

2005

- 170 expats in 19 countries
- Focus on return on investment for international assignments
 - Business case for international assignments
- Selection
 - Job fit
 - Expat fit
 - Family fit
 - Country fit
- Repatriation process
- Benchmarking with internationally based multinationals in terms of policy and processes

2011

- **116** Expats from **7** different home bases in **20** countries (Aug 2011)
- **150** Rotation assignees in **2** countries
- **26** STA's & Development Assignees in **10** countries
- Integrated approach - international assignments with talent management
- Investigating software solutions
- Consolidating policies

Types of International Assignments



SKILLS TRANSFER / APPLICATION

- Expatriate
- Local Plus
- Rotation (Fly-In / Fly-Out)
- Short-Term Assignment
- International Employee “Global Nomad”

DEVELOPMENT

- YEIT / PhD / TOPP
- International Conference
- Career Rotation
- Short-Term Assignment

Assignment Remuneration Methodology



BALANCE SHEET / BUILD-UP	LOCAL PLUS	HOME COUNTRY SALARY plus PER DIEM / ALLOWANCE	UNDER CONSTRUCTION
<ul style="list-style-type: none">• Long – term assignments to host countries ranked in categories C, D, E & F in Sasol location ranking table• <i>Assignment salary calculation is based on home country salary</i><ul style="list-style-type: none">• COL• Exchange Rate• Assignment Allowances• <i>Nett salary</i>	<ul style="list-style-type: none">• Long – term assignments to host countries ranked in categories A & B in Sasol location ranking table• <i>Assignment salary is based on host country local salary plus international assignment benefits</i>• <i>Gross salary</i><ul style="list-style-type: none">• OR• <i>Assignment salary calculation is based on home country salary</i><ul style="list-style-type: none">• COL• Exchange Rate• <i>Nett salary</i>	<ul style="list-style-type: none">• STA• YEIT / PhD / TOPP• International Conference• Career Rotation• Fly-in / Fly-out• Gross home country salary• Nett Per Diem• Nett Allowance	<ul style="list-style-type: none">• Specialised / Scarce skill set• Skill is not available within Sasol• Recruited from international labour market• Nett salary

Build-Up / Balance Sheet Calculation



Organisation:	Sasol	Home country:	South Africa
Name/ref:	Mr Anonymous	Home location:	Johannesburg
Marital status:	Married	Host country:	India
Number of children:	Two dependant	Host location:	Mumbai
Social security:	South Africa	COL index name:	Overall index
		Date of index:	June 2009
		COL index:	124.9
		Exchange rate:	ZAR 1 = INR 5.9207
Breakdown of home salary		Home currency	Host currency
Total SA package		R780 000	
Less tax, PF and MA Contributions		R266 694	
Home net salary		R513 306	
Split into:			
Total spendable to be indexed (60%)		R307 984	
Housing/savings (40%)		R205 322	
Build-up of assignment salary			
Host related component			
Total spendable x COL index/100		R384 672	INR 2 277 528
Home related component			
Housing/savings		R205 322	INR 1 215 650
Plus: PF & MA contributions		R75 812	INR 448 860
Expatriate allowance (10% of home gross)		R78 000	INR 461 814
Soft currency allowance (5% of home gross)		R39 000	INR 230 907
Location allowance (15% of home gross)		R117 000	INR 692 722
Assignment net salary		R899 806	INR 5 327 481
Estimated tax and social security paid by company			
Plus Co. pays for accommodation, car & schooling			

Challenges & Proposed Actions



CURRENT CHALLENGES

Manual Payroll

Exchange Rates

Same Methodology irrespective of host country

Annual increment methodology - % increase

PROPOSED ACTIONS

Automated Centralised

Fix salaries in hard currency

Differentiate on basis of host country

Annual increment methodology – new calculations