Financial Report

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For the purposes of this report, the Group refers to Ampol and its controlled entities.

The Board

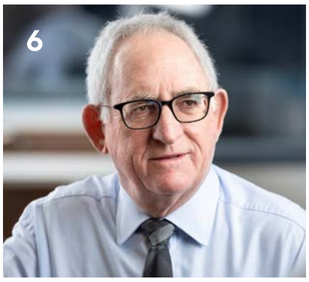
Introduction

The directors of Ampol Limited (Ampol) present the 2021 Directors' Report and the 2021 Financial Report for Ampol and its controlled entities (collectively referred to as the Group) for the year ended 31 December 2021. An Independent Auditor's Report from KPMG, as external auditor, is also provided.

Board of Directors

The Board of Ampol comprises Steven Gregg (Chairman), Matthew Halliday (Managing Director and CEO), Mark Chellew, Melinda Conrad, Elizabeth Donaghey, Michael Ihlein, Gary Smith and Penny Winn.

Barbara Ward AM retired from the Ampol Board as an Independent Non-executive Director, effective 13 May 2021.



1 Steven Gregg

Chairman and Independent Non-executive Director
Date of appointment: 9 October 2015
Board Committees: Nomination Committee (Chairman)

Steven has over 30 years' experience in investment banking and management consulting in Europe and Australia. He brings to the Board extensive executive, corporate finance and strategic experience.

Steven is Chairman of Tabcorp Holdings Limited and a director of Challenger Limited and Challenger Life Company Limited, and William Inglis & Son Limited. He is also the Chairman of Unisson Disability Limited and a trustee of the Australian Museum. He has previously served as Chairman of Goodman Fielder Limited and Austock Group Limited.

Steven has extensive Australian and international experience, with ABN AMRO (as Senior Executive Vice President and Global Head of Investment Banking), Chase Manhattan, Lehman Brothers and AMP Morgan Grenfell. His most recent executive role was as a Partner at McKinsey & Company.

Steven holds a Bachelor of Commerce from the University of New South Wales.

2 Matthew Halliday

Managing Director and CEO
Date of appointment: 29 June 2020

Matthew Halliday was appointed Managing Director and Chief Executive Officer in June 2020. He joined Ampol in April 2019 as Chief Financial Officer.

Prior to joining Ampol, Matthew enjoyed a successful career with Rio Tinto spanning 20 years, where he held senior finance and commercial roles across several divisions and geographies.

Matthew is a Chartered Accountant and holds a Bachelor of Commerce from the University of Western Australia and an MBA from London Business School.

3 Mark Chellew

Independent Non-executive Director
Date of appointment: 2 April 2018
Board Committees: Safety and Sustainability Committee, Human Resources Committee and Nomination Committee

Mark brings to the Board international expertise in industry, strategy, governance and large capital projects with a background in manufacturing, mining and process industries. He is currently Chairman of Cleanaway Waste Management Limited and Chairman of Downer EDI Limited. Mark was formerly Chairman of the industry body Manufacturing Australia and a director of Virgin Australia Holdings Limited and Infigen Energy Limited.

Mark was the Chief Executive Officer and Managing Director of Adelaide Brighton and prior to that, held executive positions at Blue Circle Industries and CSR Limited.

Mark holds a Bachelor of Science (Ceramic Engineering) from the University of New South Wales, a Master of Engineering (Mechanical) from the University of Wollongong and a Graduate Diploma of Management from the University of New South Wales.

Directors' Report continued

The Board continued

4 Melinda Conrad

Independent Non-executive Director
Date of appointment: 1 March 2017
Board Committees: Human Resources Committee (Chairman), Audit Committee and Nomination Committee

Melinda brings to the Board over 25 years' experience in business strategy, marketing, and technology-led transformation, and brings skills and insights as an executive and director from a range of industries, including retail, financial services and healthcare.

Melinda is currently a director of ASX Limited, Stockland Group, Penten Pty Ltd and a director of the Centre for Independent Studies. She is a member of the Australian Institute of Company Directors Corporate Governance Committee and an Advisory Board member of Five V Capital.

Melinda has previously served as a director of OFX Group Limited, The Reject Shop Limited, David Jones Limited, APN News & Media Limited, the Garvan Medical Research Institute Foundation, the George Institute for Global Health and as a member of the ASIC Director Advisory Panel. Melinda held executive roles at Harvard Business School, Colgate-Palmolive, several retail businesses as founder and CEO, and in strategy and marketing advisory.

Melinda holds a BA (Hons) from Wellesley College in Boston, an MBA from Harvard Business School, and is a Fellow of the Australian Institute of Company Directors.

5 Elizabeth (Betsy) Donaghey

Independent Non-executive Director
Date of appointment: 1 September 2021
Board Committees: Human Resources Committee, Safety and Sustainability Committee and Nomination Committee

Betsy brings over 30 years' experience in the energy and oil and gas sectors including technical, commercial and executive roles at EnergyAustralia, Woodside Energy and BHP Petroleum. She is currently a non-executive director of the Australian Energy Market Operator (AEMO) and Cooper Energy Limited.

Betsy's previous experience includes non-executive director roles at Imdex Ltd, an ASX-listed provider of drilling fluids and downhole instrumentation, St Barbara Ltd, a gold explorer and producer, and the Australian Renewable Energy Agency. She has performed extensive committee roles in these appointments, serving on audit and compliance, risk and audit, technical and regulatory, remuneration, and health and safety committees.

Betsy holds a Bachelor of Civil Engineering from Texas A&M University, a Master of Science in Operations Research from the University of Houston and has completed the Harvard Business School Advanced Management Program.

6 Michael Ihlein

Independent Non-executive Director
Date of appointment: 1 June 2020
Board Committees: Audit Committee (Chairman), Human Resources Committee and Nomination Committee

Mike brings to the Board financial expertise and experience as an international executive from a range of industries, including previous roles as CEO and CFO of Brambles Limited and CFO of Coca-Cola Amatil Limited and a director of CSR Limited.

Mike is currently a director of Scentre Group Limited, Inghams Group Limited and the not-for-profit mentoring organisation Kilfinan Australia Ltd.

Mike holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is a fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia.

7 Gary Smith

Independent Non-executive Director
Date of appointment: 1 June 2020
Board Committees: Audit Committee, Safety and Sustainability Committee and Nomination Committee

Gary brings to the Board substantial Australian and international oil industry experience with a career in oil and gas that spans 40 years, including 20 years with Shell and various executive roles within the industry, including General Manager Refining, Supply and Distribution of Ampol Limited (formerly Caltex Australia Limited). Gary is currently employed as a Senior Advisor with Poten & Partners, working with the LNG Commercial team.

Gary holds a Bachelor of Engineering (Mechanical Engineering) and Master of Science (Chemical Engineering and Chemical Technology) from the University of New South Wales.

8 Penny Winn

Independent Non-executive Director
Date of appointment: 1 November 2015
Board Committees: Safety and Sustainability Committee (Chairman), Audit Committee and Nomination Committee

Penny brings to the Board Australian and international strategic, major transformation and business integration, technology, supply chain and retail marketing experience. Penny is currently a director of CSR Limited, The Amphora Group PLC (Accolade Wines) and the ANU Foundation. She has previously served as Chair and a director of Port Waratah Coal Services Limited, director of Coca-Cola Amatil Limited, a director of Goodman Limited and Goodman Funds Management Limited and a director of a Woolworths business, Greengrocer.com, a Myer business, sass & bide, and Quantium Group.

Prior to her appointment to Ampol, Penny was Director, Group Retail Services, with Woolworths Limited. She has over 30 years' experience in retail with senior management roles in Australia and internationally.

Penny holds a Bachelor of Commerce from the Australian National University and a Master of Business Administration from the University of Technology, Sydney and is a graduate of the Australian Institute of Company Directors.

Leadership Team

1 Michael Abbott

Executive General Manager, Governance and Risk

Michael Abbott was appointed Executive General Manager, Governance and Risk in January 2021. He is responsible for risk, audit, legal, secretariat and government affairs.

Prior to joining Ampol, Michael spent 15 years at Woodside Energy, holding a variety of senior roles, including Senior Vice President, Corporate and Legal, where he was responsible for multiple corporate disciplines, including government affairs, emergency management, audit, governance, as well as business climate and economic outlook. Before Woodside, Michael spent 13 years working as a private practice lawyer in Australia and Hong Kong.

Michael holds a Bachelor of Law and Arts and a Master of Business Administration from the University of Western Australia.

2 Greg Barnes

Group Chief Financial Officer

Greg Barnes was appointed Group Chief Financial Officer on 1 July 2021.

Greg has more than 25 years' experience in finance, including as Group Chief Financial Officer for Coca-Cola Amatil, Nine Entertainment Co and CSR Limited. He has also held senior finance roles in the industrial and manufacturing sectors in the Asia Pacific region.

Greg is a qualified Chartered Accountant and holds a Bachelor of Commerce from the University of Newcastle as well as a Master of Business Administration from the Macquarie Graduate School of Management. Greg is also a member of the Australian Institute of Company Directors.

3 Andrew Brewer

Executive General Manager, Fuel Supply Chain

Andrew Brewer was appointed Executive General Manager, Fuel Supply Chain in November 2020. He is responsible for Ampol's Australian and New Zealand manufacturing and distribution assets, supply operations, planning and value chain optimisation functions and the Information Technology business.

He is an experienced senior executive in the energy and resources sector, having held leadership roles for large-scale facilities and integrated supply chains in the minerals processing, resources and energy industries across Australia, New Zealand and Canada. This includes former roles at Ampol, where he was General Manager of the Kurnell refinery, and later Executive General Manager of Supply Chain Operations and Executive General Manager, Transformation.

Andrew returned to Ampol from Refining New Zealand where he held the position of Chief Operating Officer.

Andrew has a Bachelor of Engineering (Honours) and a Bachelor of Science from the University of Adelaide and a Diploma in Management from Deakin University.

Directors' Report continued

Leadership Team continued

4 Meaghan Davis

Executive General Manager, People and Culture

Meaghan Davis was appointed Executive General Manager, People and Culture in November 2021.

Meaghan has more than 25 years' experience in people and culture, and has held a number of senior executive roles at leading Australian companies. Prior to joining Ampol, Meaghan spent seven years at Woolworths Limited before joining Lendlease, where she held senior roles including Head of People and Culture, and Program Director of Lendlease's global transformation program.

Meaghan holds a Masters of Management from the Macquarie Graduate School of Management, and is a member of the Australian Institute of Company Directors and the Australian Human Resources Institute.

5 Brent Merrick

Executive General Manager, International and New Business

Brent Merrick was appointed Executive General Manager, International and New Business in September 2020. Brent is responsible for trading and shipping, international growth and other new business, including building the future energy business to enable low carbon solutions for our customers.

Brent joined Ampol in 2000, with his career at the company spanning a range of roles, including his first job as a process engineer at the Lytton refinery in Queensland. Brent gained commercial and trading experience through roles in the Australian supply and trading teams before being seconded to Chevron Singapore. Brent held the roles of National Sales Manager and Transformation Officer in the marketing business before returning to Singapore as a trader. More recently, he was responsible for expanding Ampol's international operations by establishing offices in Singapore and the United States, which drive the company's global trading and shipping business.

Brent holds a Bachelor of Engineering (Chemical) from the University of Queensland.

6 Alan Stuart-Grant

Executive General Manager, Growth and Development

Alan Stuart-Grant was appointed as Executive General Manager, Growth and Development in November 2017. He manages Ampol's strategy, corporate development, mergers and acquisitions and transformation activities.

Prior to joining Ampol, Alan held a senior position in the oil and gas department of Glencore plc, which followed more than a decade of experience in private equity and investment banking, in Sydney, London and Singapore.

Alan holds a Bachelor of Science (Business Administration) degree from the University of Bath and is also a member of the Australian Institute of Company Directors.

7 Joanne Taylor

Executive General Manager, Consumer and B2B

Joanne Taylor was appointed Executive General Manager, Consumer and B2B in August 2020. She is responsible for Ampol's retail business, B2B sales, brand and marketing, corporate affairs and internal communications.

Joanne, who joined Ampol in 2016, has over 20 years' experience in the retail, QSR, hospitality and manufacturing sectors, and brings significant experience in operations, supply chain and communications to Ampol.

In her role she is focused on transforming Ampol's national network of stores with the revitalisation of the Ampol brand and evolving its retail offer to make life easier every day for millions of Australian consumers and business customers.

Prior to joining Ampol, Joanne spent 11 years at McDonald's Australia in operations, franchise, people and supply chain roles.

Joanne holds a Bachelor of Commerce from the University of New South Wales.

Directors' Report continued
Operating and financial review

The purpose of the operating and financial review (OFR) is to enhance periodic financial reporting and provide shareholders with additional information regarding the Group's operations, financial position, business strategies and prospects. The review complements the Financial Report on pages 81 to 135.

The OFR may contain forward-looking statements. These statements are based solely on the information available at the time of this report, and there can be no certainty of the outcome in relation to the matters to which the statements relate.

Company overview

Ampol is an independent Australian company and the nation's leader in transport fuels.

Ampol Limited (previously Caltex Australia Limited) returned to its iconic Australian name following shareholder approval on 14 May 2020. The national roll-out of the Ampol brand across our retail network has begun, with 880 sites rebranded at 31 December 2021.

We supply the country's largest branded petrol and convenience network, as well as refining, importing and marketing fuels and lubricants. We have a deep history spanning over 120 years, having grown to become the largest transport fuels company and we are also listed on the Australian Securities Exchange (ASX).

Ampol supplies fuel to approximately 80,000 customers in diverse markets across the Australian economy, including defence, mining, transport, marine, agriculture, aviation and other commercial sectors. Across our retail network, we serve approximately three million customers every week with fuel and convenience products.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions across the country, which include 15 terminals, 6 major pipelines, 55 wet depots, 1,881 branded sites (including 684 company-controlled retail sites) and one refinery located in Lytton, Queensland. This network is supported by over 8,300 people across Australia and overseas.

In recent years, we have deployed the capabilities of our Australian business to expand our supply chain and operations into international markets. This includes our Trading and Shipping business that operates out of Singapore and Houston in the USA, and our international storage positions across the Asia-Pacific region. We also have a growing presence in New Zealand as owner of Gull New Zealand, which operates the largest independent import terminal in the country and a growing retail network. Ampol also owns a 20% equity interest in Seaoil, a leading independent fuel company in the Philippines.

In May 2021, Ampol released its Future Energy and Decarbonisation Strategies, which sets out our plans to transition our business to future fuels and energy solutions, in line with customer demand and technology availability, and our ambition to achieve net zero emissions across our operations by 2040, including interim targets. As Australia's largest fuels provider, Ampol has an important role to play in reducing our own emissions, as well as the emissions of our customers. Our integrated business generates strong cash flows, compelling returns, diversified earnings and provides a strong foundation to evolve into new areas aligned to the energy transition. We have committed to a minimum $100 million investment by 2025, to ensure we have the low carbon solutions that will meet the needs of our customers well into the future.

Directors' Report continued
Operating and financial review continued

Group strategy

Ampol's strategy is focused on three elements underpinned by our market leading position in transport fuels, strategic assets, customer positions and supply chain expertise.

Evolving our business to build the foundations for energy transition is one of the three key elements of Ampol's strategy. Ampol's privileged assets, supply chain expertise and deep customer relationships mean we are uniquely placed to be part of the decarbonisation solution by enabling an orderly energy transition and capitalising on opportunities that can deliver sustainable returns for shareholders over the long term.

Our strategy builds on our strengths in fuels

Our strategy focuses on our core business, and establishes a platform to grow and ultimately evolve as energy markets transition

Purpose

Powering better journeys, today and tomorrow

Strategy

Enhance the core business	**Bring back Ampol**	Bring back an iconic Australian brand and reinvigorate our people and customer connection
	Further cost savings	Take further action on costs to mitigate demand impacts and reinforce competitive position
	Improve retail network	We have released significant capital, with further potential to improve returns
	Restore Fuels and Infrastructure Australia ROCE	Our market leading position provides resilience, but we will take action to further strengthen our infrastructure and focus on capital effectiveness and cost efficiency
Expand from rejuvenated fuels platform	**International earnings growth**	Leverage our scale and capabilities to accelerate our growth in regional markets
	Shop earnings growth	Leverage our strength in retail fuel to capture opportunities from the evolving behaviours and expectations of our customers
Evolve energy offer for our customers	**Build foundations for energy transition**	Transition with our customers, focusing on a targeted set of energy and decarbonisation themes with clear linkages to our capabilities and assets

Strengths

- Strategic assets and iconic brand
- Deep customer base
- Supply chain expertise
- People and culture

Directors' Report continued
Operating and financial review continued

Foundations for the future

2021 has been a transformational year for Ampol. We have made significant progress on our strategic priorities while managing the impacts of lockdowns related to COVID-19 and major flooding events.

In May 2021, we completed the Lytton refinery review and announced the decision to continue operating, with our eligibility for the Fuel Security Program to maximise shareholder value. Continuing to operate ensures the future of approximately 550 manufacturing jobs and hundreds more indirectly, while supporting the Federal Government's objectives of fuel security and an orderly energy transition.

The rebrand to Ampol is progressing well, providing the opportunity to refresh the sites, improving their overall appearance, and to simplify the retail model to the high-quality *Foodary* and the premium Ampol Woolworths Metro formats. Retail and wholesale customers continue to respond positively to the return of the iconic Ampol brand.

We are on track to achieve our targeted $195 million EBIT uplift by 2024, with strong growth in our Fuels and Infrastructure International business. In Convenience Retail, we have begun to see the benefits of the accelerated focus on reducing labour costs, waste and shrinkage on shop performance.

On 11 October 2021, we announced the proposed acquisition of Z Energy, New Zealand's leading fuels distribution and retail business. This transaction is subject to the approval of the New Zealand Competition Commission (NZCC) and Overseas Investment Office, including a condition to divest Gull. Regulatory decisions are expected in the first half of 2022. If successful, the combination of Ampol and Z Energy would create the largest fuels distribution and retail network across Australia and New Zealand.

We have maintained our focus on cost and capital discipline, returning over $479 million to shareholders through a combination of Off-market Buy-back and fully franked dividends. Late in 2021, we also successfully completed another $500 million subordinated notes issuance to wholesale investors in the domestic fixed income market. These subordinated notes are an effective long-term source of capital, and proceeds of the issue will be used for general corporate purposes in line with Ampol's Capital Allocation Framework, which may include partly funding the acquisition of Z Energy.

Enhance the core business	**Bring back Ampol**	**880 sites rebranded** at end 2021; KPIs for rebranded sites outperforming control sites
	Maximise Lytton value	**Reduced earnings downside risk, while retaining full benefit of refiner margin upside**
Expand from rejuvenated fuels platform	**Expansion into New Zealand**	**Z Energy Scheme Implementation Agreement signed;** to create Trans-Tasman transport fuels leader
	Shop earnings growth	Delivered **$53 million EBIT uplift** by end 2021; on track to achieve $85m EBIT uplift by 2024
Evolve energy offer for our customers	**Build foundations for energy transition**	Future Energy and Decarbonisation Strategies released; **establishing team and investing in trials** of low carbon solutions

Directors' Report continued
Operating and financial review continued

Ampol results 31 December 2021

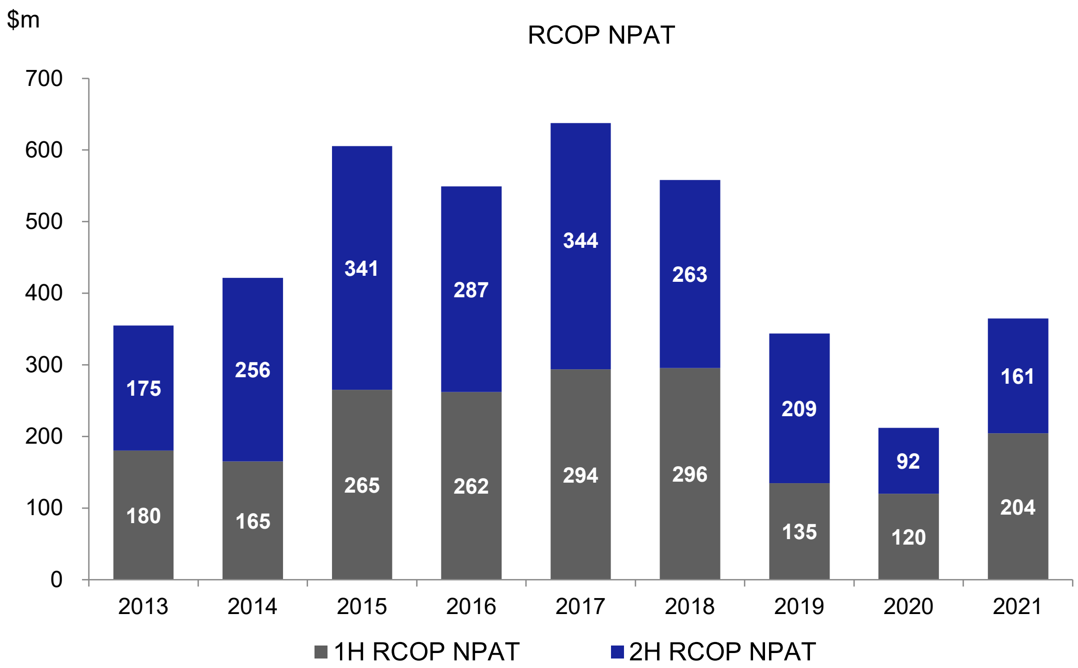
On an historical cost profit basis, Ampol recorded an after-tax profit attributable to equity holders of the parent entity of $560.0 million, including a significant items loss of $24.4 million, and a product and crude oil inventory gain of $219.5 million after tax. This represents a significant improvement in financial performance compared to the 2020 full year after-tax loss of $484.9 million, which included a significant items loss of $337.0 million, and a product and crude oil inventory loss of $359.7 million after tax.

RCOP, excluding significant items (on a pre-tax and post-tax basis), is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (gains)/losses, as management believes this presents a clearer picture of Ampol's underlying business performance and is consistent with the basis of reporting commonly used within the global oil industry. RCOP excludes the impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract-based revenue lags. Refer to note B4 in the Financial Statements for a reconciliation of Statutory Profit to Replacement Cost basis profit.

A reconciliation of the RCOP result to the statutory HCOP result is set out in the following table:

Reconciliation of the underlying result to the statutory result	2021 $m (after tax)	2020 $m (after tax)
Net profit/(loss) attributable to equity holders of the parent entity	560.0	(484.9)
Significant items loss	24.4	337.0
Inventory (gain)/loss	(219.5)	359.7
RCOP NPAT (excluding significant items)	**364.9**	**211.8**

On an RCOP basis, Ampol recorded an after-tax profit, excluding significant items, of $364.9 million (2020: $211.8 million).



Dividend

The Board has declared a final fully-franked dividend of 41 cents per share for the second half of 2021, in line with the Dividend Policy pay-out ratio of 50% to 70% of RCOP NPAT, excluding significant items. Combined with the fully-franked interim dividend of 52 cents per share for the first half, this equates to a total dividend of 93 cents per share for 2021.This compares with a total fully-franked dividend of 48 cents per share for 2020.The payment dates for the final dividend are referenced on page 97.

Directors' Report continued
Operating and financial review continued

Coronavirus (COVID-19)

The COVID-19 pandemic continued to impact the Group's earnings with the emergence of the Delta strain during the full year ending 31 December 2021. Ampol's priority during this time has continued to be the health and safety of our people and customers, and to maintain focus on cost and capital discipline. Despite the prolonged lockdowns of Australia's two key economies of New South Wales and Victoria during the second half, full year earnings were significantly improved compared to 2020.

The performance of the Australian business during the fourth quarter as momentum in key profitability drivers improved, coupled with higher refiner margins, reinforced the responsiveness of Ampol's earnings to more favourable market conditions. This encourages an optimistic outlook as restrictions on mobility ease.

Income statement

For the year ended 31 December	2021 $m	2020 $m
1. Total revenue	**21,629.9**	15,409.1
Other income	**53.3**	28.0
Share of net profit of entities accounted for using the equity method	**11.3**	10.7
2. Total expenses(i)	**(21,063.3)**	(15,046.6)
Replacement cost earnings before interest and tax, excluding significant items	**631.2**	401.2
Finance income	**0.4**	0.6
Finance expenses	**(113.1)**	(109.7)
3. **Net finance costs**	**(112.7)**	(109.1)
Income tax expense(ii)	**(116.1)**	(75.2)
Non-controlling interest	**(37.5)**	(5.1)
Replacement cost of sales operating profit (RCOP)	**364.9**	211.8
4. Significant items loss after tax	**(24.4)**	(337.0)
5. Inventory gain/(loss) after tax	**219.5**	(359.7)
Historical cost net profit/(loss) after tax attributable to parent(iii)	**560.0**	(484.9)
Non-controlling interest	**37.5**	5.1
Historical cost net profit/(loss) after tax	**597.5**	(479.8)
Dividends declared or paid		
Interim dividend per share	**52c**	25c
Final dividend per share	**41c**	23c
Earnings/(loss) per share (cents)		
Historical cost basis including significant items – basic	**234.2**	(194.2)
Historical cost basis including significant items – diluted	**233.5**	(194.2)
Replacement cost basis excluding significant items – basic	**152.6**	84.8
Replacement cost basis excluding significant items – diluted	**152.1**	84.8

(i) Excludes significant item loss of $24.4 million (2020: $337.0 million) and inventory gain of $219.5 million (2020: $359.7 million inventory loss).

(ii) Excludes tax expense on inventory gain of $94.0 million (2020: $154.1 million tax benefit) and tax benefit on significant items loss of $10.5 million (2020: $166.9 million).

(iii) Statutory basis financial information is referred to throughout this document as Historical Cost Basis or "HCOP".

Directors' Report continued
Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement		
1.	**Total revenue** ▲ **40%**	The increase in total revenue was driven by a 9.7% increase in total sales volumes (22.04 BL) compared to 2020 (20.09 BL) reflecting successful execution of the strategy to grow sales in international markets. Australian Dollar product prices were also on average 54% higher than 2020 driven by a higher weighted average Dated Brent crude oil price (2021: US $71/bbl vs 2020: US$42/bbl). Other income increased due to the benefit of the Lytton refinery Temporary Refinery Production Payment (TRPP) of $40.0 million (2020: $nil) and COVID-19 government wage support of $0.8 million received from Australian and Singapore government programs (This compares to $6.8 million received in 2020 from Australian, New Zealand and Singapore government programs).
2.	**Total expenses – replacement cost basis** ▲ **40%**	Total expenses increased primarily as a result of higher replacement cost of goods sold, driven by higher crude and product prices. The impact of rising fuel costs was partially offset by $434.8 million in one-off expenses in 2020, including impairments to the Lytton refinery ($80.0 million) and Convenience Retail ($292.2 million).
3.	**Net finance costs** ▲ **3%**	Net finance costs increased by $3.6 million compared with 2020; mainly as a result of incremental interest expense due to the substitution of the bilateral facilities for the hybrid facility in 2020, partially offset by the unwinding of discounting for provision balances.
4.	**Significant items loss after tax $24.4 million**	The significant item loss before tax of $34.9 million (2020: $503.9 million) and after tax of $24.4 million (2020: $337.0 million) relates to: **Ampol rebranding expense** An expense of $51.3 million (2020: $65.6 million) has been recognised relating to the rebranding program currently being undertaken to remove Caltex signage and install Ampol branding at the Group's sites. Current period costs include $42.4 million rebranding costs (2020: $8.8 million) and $8.9 million accelerated depreciation (2020: $10.8 million). In 2020, a provision of $46.0 million was also recognised in relation to the contractual obligation to undertake rebranding work at sites owned by a third party, to be completed before 31 December 2022. **Impairment of non-current assets** Total impairment losses of $31.0 million on non-current assets have been recorded. These impairments relate to information technology assets of $24.5 million and Convenience Retail site impairments of $15.5 million, partly offset by a reversal of prior impairments of $9.0 million relating to sites no longer scheduled for closure. This compares to an impairment of $413.4 million reported at the end of 2020 for the Lytton refinery cash-generating unit of $80.0 million, Convenience Retail site cash-generating units of $292.2 million and other specific assets of $41.2 million. **Transaction costs** Preliminary transaction costs of $7.8 million for the Z Energy acquisition and divestment of Gull New Zealand have been recognised. **Kurnell site remediation** As the site remediation advances, increased clarity on precise costings resulted in a $41.9 million provision reduction, determined in the biennial third party review undertaken by Environmental Resources Management Australia Limited (ERM). **Other income** Other income includes COVID-19 government wage support of $0.8 million received from Australian and Singapore government programs. This compares to $6.8 million received in 2020 from Australian, New Zealand and Singapore government programs. **Gain on sale** On 24 December 2021 a binding agreement was signed to sell the 17.16% interest in Car Next Door Australia Pty Ltd. A profit of $12.5m, based on expected proceeds of $16.7m, has been recognised in the current year. **Significant items tax benefit** Significant items tax benefit of $10.5 million (2020: $151.2 million) represents tax at the Australian corporate tax rate of 30%. In 2020, utilisation of previously unrecognised capital losses of $15.7 million were applied to a capital gain on the sale of a 49% interest in 203 freehold Convenience Retail sites with a Charter Hall and GIC consortium.
5.	**Inventory gain after tax $219.5 million**	There was an inventory gain of $219.5 million after tax ($313.5 million before tax) in 2021. Ampol holds crude and product inventory, the value of which varies due to fluctuations in the product price and foreign exchange movements. The price at which inventory was purchased often varies from the current market prices at the time of sale. This creates an inventory gain or loss at the time of sale.

Directors' Report continued
Operating and financial review continued

Income Statement continued

Discussion and analysis – Income statement	RCOP EBIT breakdown(i)
Fuels and Infrastructure EBIT	**$417.6m**
Fuels and Infrastructure delivered an RCOP EBIT of $417.6 million, an increase of 170% on the prior year underpinned by a strong operating performance at Lytton and earnings growth in our international business. During the year, safe and reliable operations at the Lytton refinery drove increased production in an improving refiner margin environment. It delivered an RCOP EBIT of $158.7 million, including the benefit of $40.0 million from the Federal Government's once-off Temporary Refining Production Payment. This compares with the loss of $144.8 million incurred during 2020 when the refinery was shut down for the extended T&I due to the impacts of COVID-19. The resumption of production at Lytton displaced additional imported volumes required in FY 2020 during the extended T&I. This was the main contributor to the reduction in RCOP EBIT to $110.2 million for Fuels and Infrastructure Australia (ex-Lytton). Overall earnings from Fuels and Infrastructure's Australian operations (including Lytton) increased by approximately $230 million compared with FY 2020. Successful execution of the strategy to diversify and grow international earnings saw Fuels and Infrastructure International's RCOP EBIT grow to a record $110.9 million, up 31% on the prior year. The Gull business in New Zealand and Trading and Shipping International drove the growth in earnings. The Fuels and Infrastructure result includes $6.9 million spend to establish the Future Energy team, mostly incurred since launching the Future Energy and Decarbonisation strategies in May 2021, as well as $44.7 million of foreign exchange gains compared with a $29.9 million gain in FY 2020. Total Australian sales volumes were 13.05 billion litres in FY 2021, 3.9% lower than the 13.58 billion litres in FY 2020. This reflects the full-year impact of COVID-19 on jet volumes, the impact of rolling lockdowns on Australian retail market demand in the second half, as well as competitor supply chain decisions earlier in the year that adversely impacted net buy/sell volumes. The decline in Australian sales volumes was more than offset by growth in international sales to 8.99 billion litres, with total sales volumes for the Group reaching a record of 22.04 billion litres.	
Convenience Retail EBIT	**$253.7m**
Convenience Retail delivered an RCOP EBIT of $253.7 million, with COVID-19 impacts affecting most of the second half and offsetting positive trends in first half fuel volumes, shop sales and earnings. For the full year, fuel sales volumes fell 4.9% (3.2% on a like-for-like basis) as prolonged lockdowns in New South Wales and Victoria reduced mobility in the second half. Rapidly rising crude and product prices throughout the year put pressure on fuel margins, particularly diesel margins that take longer to respond but showed improvement towards the end of the year. Pleasingly, in our first full year as the company operated model, we have seen the benefits of the focus on safely reducing costs, waste and shrinkage, with shop gross margin (post waste and shrink) improving by 1.3 percentage points. We continued to optimise the network with the closure of 19 marginal sites and the addition of one new-to-industry site during the year. Combined with divestments and transfers to alternate operators, the company-controlled retail network reduced by 3.4% to 684 sites compared with 708 at the same time last year. The rebrand program is progressing extremely well, with 880 sites completed by the end of 2021 and the rebranded sites outperforming the "control" sites in key measures of total transactions, as well as volume measures including total fuel, premium petrol and AmpolCard. $51.3 million of rebranding expenses (before tax) have been recognised as a significant item.	
Corporate EBIT Corporate operating expenses of $40.1 million remained materially in line with the prior year (2020: $40.6 million).	**($40.1m)**
RCOP EBIT excluding significant items	**$631.2m**

(i) The breakdown of RCOP shown here represents a management reporting view of the breakdown and, therefore, individual components may not reconcile to statutory accounts.

Directors' Report continued
Operating and financial review continued

Balance sheet

As at 31 December	2021 $m	2020 $m	Change $m
1. Working capital	**906.6**	386.9	▲519.7
2. Property, plant and equipment	**3,564.7**	3,467.7	▲97.0
3. Intangibles	**506.3**	558.4	▼52.1
4. Interest-bearing liabilities net of cash	**(1,697.3)**	(1,348.1)	▲349.2
5. Other non-current assets and liabilities	**66.5**	159.8	▼93.3
Total equity	**3,346.8**	3,224.7	▲122.1

Discussion and analysis – balance sheet	
1. Working capital ▲ **$519.7m**	The increase in working capital was primarily driven by higher product and crude prices impacting receivables, inventory and payables.
2. Property, plant and equipment ▲ **$97.0m**	The increase in property, plant and equipment is driven by net additions of $548.5 million, which includes lease right of use assets ($183.9 million) and capital projects in progress ($272.1 million). This is partially offset by disposal ($76.3 million) and depreciation ($363.9 million).
3. Intangibles ▼ **$52.1m**	Intangibles decreased primarily due to amortisation of $17.1 million, adjustment on application of the IFRS Interpretation on cloud computing arrangements of $28.2 million, and information technology impairments of $24.5 million. This is partially offset by additions of $18.3 million.
4. Interest-bearing liabilities ▲ **$349.2m**	Interest-bearing liabilities relate to net borrowings of $723.7 million (2020: $433.9 million) and lease liabilities of $973.6 million (2020: $914.2 million) at 31 December 2021. The increase in interest-bearing liabilities was primarily due to the $300.4 million Off-market Buy-back in January 2021. Ampol's gearing at 31 December 2021 was 17.8%, increasing from 11.9% at 31 December 2020. On a lease-adjusted basis, gearing at 31 December 2021 was 33.6%, compared with 29.5% at 31 December 2020.
5. Other non-current assets and liabilities ▼ **$93.3m**	Other non-current assets and liabilities decreased primarily due to the decrease in deferred tax assets, which mainly relates to the reduction in deferred tax assets recognised in the 2020 financial period tax loss. This has been fully utilised in 2021.

Directors' Report continued
Operating and financial review continued

Cash flows

For year ended 31 December	2021 $m	2020 $m	Change $m
1. Net operating cash (outflows)/inflows	**634.6**	267.6	▲367.0
2. Net investing cash (outflows)/inflows	**(319.2)**	462.6	▼781.8
3. Net financing cash (outflows)/inflows	**(120.9)**	(391.8)	▲270.9
Net increase in cash held[i]	**198.7**	332.6	▼133.9

(i) Including effect of exchange rates on cash and cash equivalents.

Discussion and analysis – Cash flows	
1. Net operating cash inflows ▲$367.0m	Net operating cash inflows were higher and primarily driven by improved earnings arising from the increase in sales prices and volumes in 2021 compared to 2020. This resulted in an increase in receipts from customers ($5,375.9 million), offset partially by an increase in payments to suppliers ($5,020.4 million).
2. Net investing cash inflows ▼$781.8m	Investing cash flows represent capital expenditure for property, plant and equipment, Lytton T&I, and purchase of intangibles. The decrease is primarily due to the reduction in major cyclical maintenance at the Lytton refinery ($30.4 million) offset partially by an increase in capital expenditure on property, plant and equipment ($132.6 million). 2020 includes the benefit from the net proceeds from the sale of a 49% interest in 203 freehold convenience retail sites and the gain on sale of the investment in joint operations.
3. Net financing cash outflows ▲$270.9m	Financing cash flows primarily include a net proceed of borrowings ($500.0 million), offset with dividend payment ($178.7 million), repayment of lease principal ($106.3 million) and a $300.4 million Off-market Buy-back purchase which was completed in January 2021.

Capital expenditure

Capital expenditure totalled $324.2 million, including T&I spend at the Lytton refinery of $25.8 million and $76.8 million relating to the rebranding program.

Directors' Report continued
Operating and financial review continued

Business outlook and prospects for future financial years

This section includes information on Ampol's future financial prospects. Given the significant influence of external factors – such as market competitiveness, economic conditions, including ongoing impacts from COVID-19, exchange rates and regional refiner margins – the discussion of our financial prospects is general in nature.

To the extent that there are statements which contain forward-looking elements, they are based on Ampol's current expectation, estimates and projections. Such statements are not statements of fact, and there can be no certainty about outcomes in the areas that these statements relate to. Ampol does not make any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements

Market conditions and outlook

The emergence of the Omicron variant of COVID-19 has had an impact on recent trading in FY 2022. Nonetheless, the improved momentum demonstrated in the fourth quarter of FY 2021, coupled with higher refiner margins, reinforced the responsiveness of Ampol's earnings to more favourable market conditions. This provides cause for optimism for FY 2022 as mobility increases.

Ampol is well positioned to benefit from the expected recovery in Australian fuel demand. We welcome the announcement by the Federal Government on the opening of international borders to inbound tourists, although jet demand is still likely to take several years to recover to pre-COVID levels.

Global refining fundamentals have improved through increasing demand for refined products and the structural declines in capacity caused by refinery closures. The Lytton refinery is well positioned to benefit from expansion in refiner margins, with reduced earnings downside through the Fuel Security Services Payment, should the Government Margin Marker fall below a certain level.

Assuming market conditions improve, we anticipate growth in Convenience Retail earnings from both fuel and shop through our market-leading convenience offer and shop formats, the ongoing focus on costs, waste and shrink combined with the benefit of increasing demand over a largely fixed cost operating model.

We have made good progress on the steps to complete the acquisition of Z Energy and remain on track to complete the transaction in the first half of 2022, with earnings and cash flow contributing to the Group's earnings in the second half, subject to regulatory and Z Energy shareholder approvals.

Key strategic priorities

We will continue to execute our business strategy in 2022 with a core focus on creating value for shareholders. We have a clear set of priorities with an emphasis on delivering improved returns across the integrated business through improved cost and capital efficiency as part of the Enhance pillar of our strategy.

The rebrand to Ampol is well progressed and is exceeding expectations, with rebranded stores performing ahead of the control sites. Our focus for 2022 will be on completing the rebrand of the network and embedding the successful relaunch of the Ampol brand. This includes evolving the brand through the energy transition into EV charging and decarbonisation products.

For the Expand pillar, a key priority will be the successful completion of the Z Energy transaction, divestment of Gull and to deliver the synergies in line with the integration plan.

We have made good progress to date on our targeted $195 million EBIT uplift by 2024 and will be progressing key initiatives in our Fuels and Infrastructure International strategy and in Convenience Retail to move closer to achievement of the target.

Since launching our Future Energy and Decarbonisation strategies in 2021, our thinking has further developed with clear priorities for 2022 along two key themes of electrification of mobility and the deepening of our understanding of the hydrogen supply chain. Key initiatives include progressing the roll-out of the EV fast-charging network, piloting a retail electricity offer and progressing a small-scale hydrogen production pilot.

Decarbonising our operations to meet our 2025 intermediate targets will also be a priority with the roll-out of plans to reduce our carbon footprint through a number of projects (including solar) in Fuels and Infrastructure and Convenience Retail during 2022.

Directors' Report continued
Risk management

There are a number of material risks that have the potential to impact Ampol achieving its financial goals and business strategy.

The Ampol Risk Management Framework (ARMF) has been developed to proactively and systematically identify, assess and address events that could impact business objectives. The ARMF integrates the consideration of risk into the Company's activities so that: risks in relation to the effective delivery of the Company's business strategy are identified; control measures are evaluated; and where potential improvements in controls are identified, improvement plans are scheduled and implemented.

The Board reviews the ARMF with management on an annual basis to ensure that it remains sound.

Risks identified through the ARMF are also assessed on a regular basis by management, and material risks are regularly reported to the Board and its committees. These reports include performance against the Board-approved risk appetite and the status and effectiveness of control measures for each material risk. The Board, the Audit Committee, the Safety and Sustainability Committee and the Human Resources Committee each receive reports on material risks relevant to their responsibilities, as follows.

- Board: customer and competitors, business transformation, business interruption and regulatory and compliance.
- Audit Committee: cyber and information security, capital management and allocation, liquidity, financial markets, fraud and ethical misconduct.
- Safety and Sustainability Committee: climate change, process safety, personal safety, health and wellbeing, environment, product quality – fuels and lubricants and product quality – food.
- Human Resources Committee: organisational capability.

Following is a table outlining our material risks, along with a description of each risk and an outline of the mitigation strategies that are in place. In this table, we have not included information that could result in unreasonable prejudice to Ampol, including information that is confidential, commercially sensitive or that could give a third party a commercial advantage.

Ampol's approach to risk management is also outlined in our Corporate Governance Statement, which is available on our website.

Material risk	Description	Monitor and manage
Strategic and commercial risks		
1. Customer and competitors **2. Business transformation**	The transport fuels and convenience retail landscapes are continually evolving. Ampol needs to be able to transform along with this landscape to seize opportunities and ensure the ongoing viability and success of the business. Changes in customer demand, technology and products have the potential to materially impact Ampol's earnings. Ampol must respond and adapt to these changes by optimising current earnings streams and creating new earnings streams in both domestic and international markets in order to support the growth of Ampol and deliver value to customers, the community and shareholders.	Ampol's strategic decision-making framework ensures that strategies are in place to manage competitive risks that sustain and improve value accretion. These strategies include: • enhancing the core business through relentless focus on cost efficiency, capital effectiveness and customer delivery; • delivering earnings growth in International and Convenience Retail; and • building foundations for the energy transition, leveraging the strength of our assets, customer positions and capabilities.
3. Climate change	Risks associated with the transition to a low carbon economy have the potential to impact Ampol's socio-political and regulatory environment, earnings and growth opportunities, and brand and reputation. Ampol must balance the needs of the current economy, our customers and shareholders, while demonstrating active integration of climate-associated risk into strategic and financial planning processes to inform its investment decisions. In parallel, Ampol actively assesses and models the physical impact of climate change on the business and manages the energy intensity of our operations to limit carbon emissions.	The Board oversees Ampol's sustainability approach, with the Board's Safety and Sustainability Committee assisting with governance and monitoring as reflected in the Committee's Charter. Ampol focuses on building resilience to the transitional and physical risks posed by climate change, including undertaking scenario analysis, helping our customers respond to climate change, reducing the carbon intensity of our operations, undertaking external engagement and advocacy, and improving transparency and reporting. Ampol supports the recommendations of the Task Force on Climate-related Financial Disclosures. For further information on how Ampol is managing climate-related risk, refer to the Future Energy and Decarbonisation Strategy and 2021 Sustainability Report available on the Ampol website.

Directors' Report continued
Risk management continued

4. Cyber and information security	As a leading transport fuels provider and convenience retailer, Ampol (like many businesses) faces an ever-evolving cyber security threat. Ampol must be able to detect, prevent and respond to these threats by maintaining a high standard of information and cyber security controls.	Ampol's information technology (IT) and systems are subject to regular review and maintenance, and business continuity plans are in place. Ampol actively monitors and responds to potential local and global IT security threats.
5. Organisational capability	Successful execution of Ampol's strategy and business objectives is driven by the capability and talent of our people. A lack of organisational capability can negatively impact Ampol's ability to maximise returns.	Ampol aims to be an employer of choice. It has in place and actively manages retention and attraction of critical capabilities, its employee agreements, and it monitors employee engagement and the external labour markets.

Operational risks

6. Process safety **7. Personal safety, health and wellbeing** **8. Environmental**	The manufacturing and transportation of transport fuels and the operation of Ampol's retail network gives rise to an inherent risk to the health and safety of our employees, contractors, the public and the environment in which we operate. Ampol invests the necessary capital and resources to reduce these risks so far as is reasonably practicable.	To manage these risks, Ampol has in place: • an integrated management system for managing safety, health and environment; and • a comprehensive risk management framework which actively manages and mitigates these risks from the corporate level through to the local site operating level and involves active engagement from senior management. Ampol also mitigates certain major risk exposures through its comprehensive corporate insurance program, which provides cover for damage to facilities and associated business interruption as well as product liability. For more on environmental management and performance, refer to the Ampol Sustainability Report.
9. Product quality – fuels and lubricants **10. Product quality – food**	An inability to produce and supply high-quality, fit-for-purpose fuel and lubricant products that meet our customers' needs, conform to specifications and satisfy our contractual and regulatory requirements, has the potential to put our customers at risk. In turn, this may damage Ampol's brand, reputation and impact earnings. Similarly, in the convenience retail environment, Ampol aims to produce and supply quality, fit-for-purpose food products that meet customer needs, conform to specifications, and satisfy our contractual and regulatory requirements.	Ampol has designed and implemented robust quality control measures throughout the supply chain to ensure both fuel and food products are safe, and to protect our brand and reputation.
11. Business interruption	Business interruptions may arise from several circumstances, including: • operational difficulties throughout the supply chain, such as extended industrial disputes or manufacturing interruptions; • loss of externally-supplied utilities; • pandemics; • security breaches affecting operational systems; and • natural disasters, such as bushfires and floods. Any of these events could result in a significant interruption to operations leading to commercial loss.	Almost all operational risks are potential sources of business interruption. Ampol manages these risks through the framework and governance structures described in this report, including those focused on security and resilience. It also mitigates certain major risk exposures through its comprehensive corporate insurance program, which provides cover for damage to facilities and associated business interruption as well as product liability.

Directors' Report continued
Risk management continued

Financial risks

12. Capital management and allocation	An inability to successfully manage and allocate capital erodes Ampol's profitability, cash flows, growth aspirations, investor confidence, licence to operate and relationships with key stakeholders.	Ampol governs capital allocation in accordance with a well-defined capital allocation framework that is underpinned by operational and capital efficiency and ensures a strong return on capital employed (ROCE) across all parts of the portfolio. An Investment Committee supports this framework and is comprised of senior leaders with the necessary governance and processes to successfully prioritise and execute its capital investments and manage capital allocation.
13. Liquidity	Inadequate access to liquidity may limit Ampol's ability to raise funds to meet the forecast requirements of the business, for planned expenditure or to seize emerging opportunities. A weak balance sheet also limits Ampol's ability to withstand material levels of liquidity-related stress from other material risk events and/or a major economic downturn.	Ampol seeks to prudently manage liquidity risk by maintaining a capital structure that is consistent with its capital allocation framework, supports its activities and centrally monitors cash flow forecasts, including the degree of access to debt and equity markets. A key element of its funding strategy is the use of committed undrawn debt facilities, with an extended facility maturity profile.
14. Financial markets	Commodity prices, refiner margin (RM) and other associated markets driven by supply and demand for Ampol's products may vary outside of expectations from time to time. Foreign exchange rate variations can offset or exacerbate this risk.	Ampol balances its exposure to financial market risk in accordance with the Board-approved Group Treasury Policy. The policy sets a range of quantitative and volumetric limits to reduce the inherent risk to levels within the desired risk appetite threshold. Ampol regularly monitors financial market exposures and reports this as part of its updates to senior management and the Board.

Social, compliance and conduct risks

15. Regulatory and compliance **16. Fraud or ethical misconduct**	Ampol is exposed to a wide range of economic and regulatory environments since its operations are located across several jurisdictions. Ampol's brand, reputation and licence to operate can be negatively impacted through actual or perceived breaches of law, and/or behaviours and actions that are inconsistent with the Ampol's values or breach its Code of Conduct.	Ampol applies strict operating standards, policies, procedures and training to ensure that it remains in compliance with its various permits, licences, approvals and authorities. In addition, Ampol proactively manages regulatory risks through a combination of vigilance regarding current regulations, contact with relevant bodies/ agencies and working in partnership with various stakeholders to reduce the likelihood of significant incidents that could impact Ampol and/ or the communities in which it operates. Ampol engages with regulatory bodies and industry associations to keep abreast of changes to laws. It has a stakeholder engagement plan that is actively managed to mitigate the impact of major policy changes.

Directors' Report continued

Events subsequent to the end of the year

Dividend

On 21 February 2022, the Directors declared a fully franked final dividend of 41 cents per share, representing a payout ratio of 61% of the second half 2021 RCOP NPAT. As a result, a full year dividend of 93 cents per share is up 94% on 2020 (48 cents per share).

COVID-19

The emergence of the Omicron variant of COVID-19 has impacted recent trading and the situation continues to evolve. The Group continues to monitor and review the safeguarding and health of its people and customers, business continuity and cashflow. Nonetheless, the improved momentum in key profitability drivers in the fourth quarter of 2021, coupled with higher refiner margins, reinforced the responsiveness of the Group's earnings to more favourable market conditions.

Other

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2021 to the date of this report.

Environmental regulations

Ampol is committed to complying with the relevant laws, regulations and standards of the jurisdictions in which we operate, as well as to minimising the impact of our operations on the environment. The Board's Safety and Sustainability Committee addresses the appropriateness of Ampol's occupational health, safety and environmental practices to manage material health, safety and environmental risks, so that these risks are managed in the best interests of Ampol and its stakeholders.

Ampol sets key performance indicators to measure environmental, health and safety performance and drive improvements against targets. In addition to review by the Board, progress against these performance measures is monitored regularly by the Managing Director and CEO and executive general managers.

Risks are examined and communicated through the Ampol Risk Management Framework, which includes environmental risks. Under the framework, risks and controls are assessed and improvements are identified, with regular reports being made to management and the Board.

The Ampol Operational Excellence Management System (OEMS) is designed to ensure that, as far as reasonably practicable, operations are carried out in an environmentally sound, safe, secure, reliable and efficient manner. OEMS operating standards and procedures support the Ampol Environment Policy and the Ampol Health and Safety Policy.

Ampol meets reporting requirements under the National Greenhouse and Energy Reporting Scheme, reporting energy consumption and production as well as greenhouse gas emissions from Group operations. Ampol also continues to disclose information on emissions under the National Pollutant Inventory. Ampol continues to remain a signatory to the Australian Packaging Covenant.

Compliance with environmental regulations

For the year ended 31 December 2021, regulators were notified of a total of seven environmental reportable non-compliances. For the period, the group received five formal notices from environmental agencies; four of these notices related to legacy contamination. Remediation action has been taken in relation to the incidents and notices. The Company received no fines during the period. All incidents were investigated, and lessons captured and shared as appropriate across the Group.

In June 2021, Ampol formally entered an Enforceable Undertaking (EU) with the ACT environmental regulator. Ampol was ordered to pay $200,000 to environmental groups as a result of the release of an estimated 79,900 litres of ULP gasoline from an underground petroleum storage tank at the Kippax Holt franchisee-operated site between 18 December 2019 and 14 February 2020.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 75 and forms part of the Directors' Report for the financial year ended 31 December 2021.

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The Directors of Ampol Limited present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (Corporations Act) for the Ampol Group for the year ended 31 December 2021.

The Remuneration Report provides information about the executive remuneration framework and remuneration outcomes for Key Management Personnel (KMP). KMP comprises: Non-executive Directors (NED); and the Managing Director and Chief Executive Officer (MD & CEO) and select direct reports to the MD & CEO (collectively, Senior Executives).

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act, apart from where it is indicated that the information is unaudited.

Directors' Report continued
Message from the Chair of the Human Resources Committee

On behalf of the Board, I am pleased to present Ampol's Remuneration Report for the year ended 31 December 2021.

Against a backdrop of continued COVID-19 impacts, we have delivered a strong result and made significant progress against our strategic priorities.

I would like to acknowledge the hard work and commitment of our people who have demonstrated tremendous resilience during yet another challenging year. Their outstanding delivery combined with an unwavering commitment to our purpose and values has laid the foundations for our ongoing transformation.

Our integrated value chain has delivered strong earnings and returns for shareholders.

- Ampol delivered our highest RCOP NPAT since FY 2018. This RCOP NPAT of $365 million represents a stretch outcome and is $153 million above 2020.
- We returned $479 million to shareholders during 2021 including a $300 million off-market buy-back completed in January.
- The Company increased our total dividend from 48 cents per share to 93 cents per share (including the 52 cents per share interim dividend in 1H 2021).

We have enhanced our core business and evolved our business to ensure we are positioned to partner with our customers in energy transition.

We enhanced the core business through our Ampol rebrand and improved returns from Fuels and Infrastructure:

- The rebrand is on track for completion ahead of schedule. We increased the value of the Convenience Retail portfolio through the announcement of a new property trust with 20 freehold convenience sites. We closed 19 unprofitable sites, progressed the redevelopment of four highway sites and added one new to industry (NTI) site in growth corridors.
- After an extensive review, we determined that continued refining operations at Lytton with the proposed Federal Government Fuel Security Package (Security Package) would enhance shareholder value, while retaining the optionality to transition the strategically-located site to alternative uses in the future.

  The decision to continue operations at Lytton combined with the Security Package significantly reduces earnings volatility and downside risk while retaining full benefit to earnings upside.

  The Security Package gave Ampol further confidence to increase its target leverage under the Capital Allocation Framework. This enabled Ampol to significantly increase its debt capacity which will assist in the acquisition of Z Energy. It also ensured the future of approximately 550 manufacturing jobs and hundreds more indirectly.
- We improved returns for Fuels and Infrastructure Australia (including Lytton) through a $263 million increase in RCOP EBIT compared to 2020, resulting in a 9 percentage point increase in ROCE to 11%.

We expanded earnings growth through our International business and Convenience Retail shop earnings:

- The strategy to grow international earnings through our supply chain expertise saw a 38% increase in international sales volumes. Fuels and Infrastructure International delivered a $39 million uplift in EBIT in 2021, on track to achieve the targeted $70 million uplift by 2024.
- Pleasingly, in our first full year as a company-operated model in our retail business, we have begun to see the benefits of the accelerated focus on reducing labour costs, waste and shrinkage. Convenience Retail delivered a $53 million EBIT uplift in 2021, on track to achieve the targeted $85 million EBIT uplift by 2024.
- We are well progressed in the Z Energy acquisition, which in addition to supporting our International growth strategy, also supports our Future Energy and Decarbonisation ambitions. The scale of a combined entity provides an even greater opportunity for energy transition in the region with both Ampol and Z Energy making great progress in meeting the evolving energy needs of its customers.

We have evolved our business and taken significant steps to enable an orderly energy transition to support the changing needs of customers:

- The launch of our Future Energy and Decarbonisation strategies, including our ambition of achieving net zero scope 1 and 2 emissions from operations by 2040, provides a clear framework to meet our operational decarbonisation targets.
- The decision to continue operating at Lytton provides a platform for future energy technology and capability growth.
- We are investing in future energy solutions for our customers with a commitment to spend a minimum of $100 million on future energy and decarbonisation projects by 2025. In 2021 the following four test and learn partnerships have been implemented:
  - partnership with Endua for microgeneration and storage of hydrogen at remote sites,
  - launched a green hydrogen production trial with Fusion Energy Green Fuels at our Lytton refinery,
  - in collaboration with Tesla, commissioned a virtual power plant (VPP) pilot at three sites in South Australia, and
  - securing ARENA funding to install electric vehicle (EV) fast chargers at 121 sites across Australia.

Directors' Report continued

Message from the Chair of the Human Resources Committee continued

Delivering value for our people, customers and communities is considered part of our holistic and strong performance in 2021.

We provide a safe place to work with employees who are highly motivated by our strategy and growth prospects:

- Effective COVID-19 controls made for a safe environment for our customers and employees.
- The dedication and commitment of our people was exemplified through another strong personal safety outcome which continues to position us in the top-quartile against industry peers.
- While there were no Tier 1 process safety incidents (which has been the case since 2018), high workforce turnover at third-party carriers has seen an increase in the number of spills above historical average. A comprehensive response plan is being implemented resulting in improved performance in the second half of the year. Threshold performance for process safety however was not met for 2021, resulting in a zero short-term incentive (STI) outcome for this scorecard component.
- People and culture are a key part of Ampol's five-year strategy. With a 78% participation rate in our 2021 culture survey, overall cultural health increased by 9 percentage points to 72% driven by an increase in employee motivation and positivity. In 2022 we will continue to focus on making Ampol an even better place to work.

Our customers continue to respond positively to the return of the iconic Ampol brand:

- The rebrand program is progressing well with 880 sites completed at the end of 2021.
- In addition to the rebrand, we continue to optimise our retail network by simplifying the retail models to the high quality *Foodary* and premium Ampol Woolworths Metro offering. In 2021, we completed a further roll-out of 20 new Ampol Woolworths Metro stores, taking the total to 26.
- The second Ampol customer summit was launched engaging B2B customers, including distributors, with a focus on energy for "today and tomorrow".

We have made significant progress in supporting the community through the Ampol Foundation, including:

- Delivering our first full year of partnership with The Smith Family and Surf Life Saving Australia, including raising over $340,000 for The Smith Family and $145,000 for Surf Life Saving Australia, through our retail network, the first time we have fundraised in this way.
- Relaunching the Ampol Best All Rounder Award program, with 2,040 school registrations.
- Relaunching our Fuelling Change workplace giving program, increasing funds contributed by 51% and increasing the number of employees participating.
- Contributing a total of $3.2 million to our communities through the Ampol Foundation in 2021.

2021 Remuneration Outcomes

The Board takes a holistic approach in assessing a range of quantitative and qualitative factors when evaluating the performance of Ampol and its Senior Executives. The approach taken includes oversight and judgement across:

- performance against a range of financial and non-financial performance objectives which cover both Company and business area strategic priorities;
- delivery within the Board-approved risk appetite;
- performance, contributions, and outcomes through the lens of our shareholders, customers, employees and communities;
- ability to attract and retain best-fit capability to drive sustainable value; and
- adherence to our stated values, and code of conduct.

For 2021, the Board-approved an average 132% scorecard outcome for Senior Executives, between target and stretch. We believe that the resulting STI outcome at an average 88% of maximum opportunity across Senior Executives, appropriately balances all competing expectations and reflects the strong performance in 2021.

After robust consideration of all the relevant factors, the strong performance in 2021 sees the first STI payable to Senior Executives after two years of nil STI.

The Board's assessment of 2021 performance included a review of Significant Items. Through this review it was determined that $10.4 million (after tax) of IT impairments would be included in the RCOP NPAT result for the purpose of determining remuneration outcomes in 2021. This moved the RCOP NPAT result for remuneration purposes from $365 million to $355 million.

The assessment of the $355 million RCOP NPAT outcome includes $28 million (after tax) received through the Security Package Temporary Refinery Production Payment (TRPP). We have developed a set of principles which have helped the Board in making their final assessment of the Security Package. Section 9 of this report provides further information on this assessment.

Consistent with 2020, the 2021 RCOP NPAT result excludes JobKeeper and other wage subsidies, totalling $0.8 million.

Directors' Report continued
Message from the Chair of the Human Resources Committee continued

2021 Remuneration Outcomes continued

As a result of remuneration framework changes introduced in 2021, STI outcomes will have 40% and 25% deferred for two years as restricted shares for the MD & CEO and other Senior Executives, respectively.

The 2018 long-term incentive (LTI) award vested in April 2021 at 6.66%, as per disclosure in our 2020 remuneration report.

13.33% of the 2019 LTI will vest in April 2022, following performance testing over the three-year period to 31 December 2021.

There were no changes to permanent fixed remuneration for Senior Executives in 2021 and there were also no changes to Non-executive Director (NED) fees in 2021.

Looking Beyond 2021

At Ampol, we are committed to making sustainability an integral part of our culture and strategy to deliver long-term value for our shareholders, customers and the community. Our approach involves making sustainability core to decision-making at all levels in our business and in a way that balances environmental, social and governance aspects with broader strategic objectives.

As Australia's largest transport fuels provider, Ampol is committed to being an organisation that reduces its operational carbon footprint as well as finding and developing new energy solutions that can meet our customers' needs as they evolve. These dual objectives are intrinsic to our strategy and longevity through delivering sustained value to our stakeholders. Therefore, commencing from 2022, we are further strengthening the way ESG measures influence our performance by introducing climate measures which will focus on decarbonisation across Scope 1, 2 and 3 emissions by measuring progress against annual climate performance. Climate measures will form a tangible component in determining STI outcomes. Senior Executives will have 10% of their target STI based upon climate measures. Section 6 of this report provides further information on this change.

There are no other remuneration framework changes anticipated for 2022.

On behalf of the Board, I would like to thank you for your continued interest in Ampol. We trust that this overview, and the accompanying detail in the Remuneration Report are helpful when forming your views on Ampol's Senior Executive and NED remuneration arrangements – we look forward to your feedback.

Melinda B. Conrad

Melinda Conrad
Chair, Human Resources Committee

Directors' Report continued
Remuneration Report

1. Overview of Key Management Personnel

This Remuneration Report is focused on the KMP of Ampol, being those persons with authority and responsibility for planning, directing and controlling the activities of Ampol.

Unless otherwise indicated, the KMP were classified as KMP for the entire financial year.

Current Non-executive Directors	
Steven Gregg	Chairman and Independent, Non-executive Director
Mark Chellew	Independent, Non-executive Director
Melinda Conrad	Independent, Non-executive Director
Elizabeth Donaghey(i)	Independent, Non-executive Director
Michael Ihlein	Independent, Non-executive Director
Gary Smith	Independent, Non-executive Director
Penny Winn	Independent, Non-executive Director
Former Non-executive Directors	
Barbara Ward AM(ii)	Independent, Non-executive Director
Current Senior Executives	
Matthew Halliday	Managing Director and Chief Executive Officer
Greg Barnes(iii)	Group Chief Financial Officer
Andrew Brewer	Executive General Manager, Fuel Supply Chain
Brent Merrick	Executive General Manager, International and New Business
Joanne Taylor(iv)	Executive General Manager, Consumer and B2B
Former Senior Executives	
Jeff Etherington(v)	Interim Chief Financial Officer

(i) Ms Donaghey was appointed to the Board as an Independent, Non-executive Director effective 1 September 2021.
(ii) Ms Ward AM retired from the Board as an Independent, Non-executive Director effective 13 May 2021.
(iii) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021.
(iv) Ms Taylor was a Senior Executive for the full 2021 performance period. Ms Taylor resigned from Ampol on 14 February 2022.
(v) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021.

Changes for Key Management Personnel

Leading from our refreshed strategy, this year we made changes to KMP role accountabilities. These changes enable us to better adapt to the changing needs of our customers. and to ensure our future energy and international growth ambitions have appropriate focus. The key changes are:

- *Brent Merrick, Executive General Manager, International and New Business*: Responsible for new business at Ampol, including driving our future energy, decarbonisation, and sustainability strategies. Brent is also responsible for digital strategy and leading Ampol's Trading and Shipping business.
- *Joanne Taylor, Executive General Manager Consumer and B2B*: Responsible for driving commercial value from the full spectrum of customer relationships (B2B and B2C customers), including an integrated view of the Ampol branded network. Joanne is also responsible for Brand, Internal Communications and Corporate Affairs.
- *Andrew Brewer, Executive General Manager, Fuel Supply Chain*: Responsible for driving integrated value and optimisation across our fuel supply chain including our Lytton refinery and portfolio of infrastructure assets. Andrew will also continue to have accountability for our Information Technology team.

The changes in accountability were factored into our annual independent remuneration benchmarking process and led to fixed pay changes for Mr Brewer and Mr Merrick, which will commence in 2022. These fixed pay changes are outlined in more detail in section 6 of this report.

Directors' Report continued
Remuneration Report continued

2. Ampol's remuneration philosophy and framework

Our remuneration philosophy and framework are designed to support Ampol's strategy to sustainably deliver value and growth for our owners, people and customers.

Purpose

Powering better journeys, today and tomorrow

Strategy

Sustainably deliver value and growth for our owners, people and customers

Strategic focus areas

- **Enhance** the core business
- **Expand** from rejuvenated fuels platform
- **Evolve** energy offer for our customers

Remuneration Principles

- **Alignment with shareholders' interests**
- **Performance focused and differentiated**
- **Market competitive**
- **Fair and Equitable**

	Purpose	Performance	Delivery
Fixed Remuneration	To attract and retain the best capability to deliver the Ampol strategy.	Independent benchmarking to ensure competitive positioning against two Board-approved ASX listed peer groups focused on where we compete for capital and talent and our market capitalisation.	Base salary, un-capped statutory superannuation and other benefits.
Short-term Incentive	Reward the achievement of annual targets aligned with sustainably delivering value and growth.	A combination of financial (RCOP NPAT) and non-financial measures (safety, brand, capability and culture) as well as execution of business strategic priorities.	A mix of cash and deferred restricted shares.
Long-term Incentive	Align Senior Executive remuneration with long-term shareholder experience.	An equal combination of relative Total Shareholder Return compared against the ASX 100 and Return on Capital to incentivise strong and sustained shareholder returns.	Performance rights for nil consideration as a right to receive a fully paid ordinary share following a three year performance period. Trading is restricted for an additional one year post any vesting. There is also a minimum shareholding requirement for Senior Executives over a five year period.

Minimum requirement to demonstrate Ampol's stated values and appropriate conduct.

Board oversight considering of the holistic quality of delivery including risk management, capital management and performance, contributions, and outcomes through the lens of our Shareholders, Customers, Employees and Communities.

Directors' Report continued
Remuneration Report continued

2. Ampol's remuneration philosophy and framework continued

Remuneration structure

Ampol's Senior Executive remuneration framework delivers total remuneration outcomes over a four-year period.

Our framework supports the achievement of strategic priorities; is an effective mechanism to attract and retain executive talent; and provides strong alignment with the interests of shareholders.

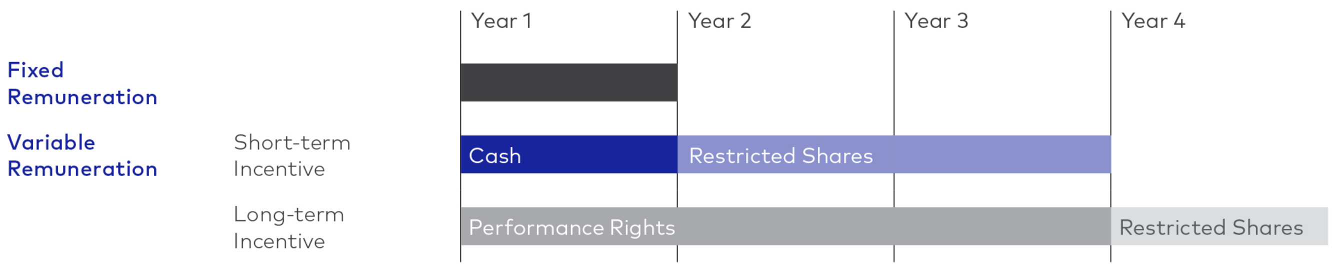
Fixed remuneration consists of market competitive base salary and superannuation.

Variable remuneration represents performance based "at-risk" remuneration which is delivered through:

- an annual STI program which delivers outcomes as a combination of cash and restricted shares;
- a three-year LTI program which issues performance rights (subject to performance conditions and continued employment) as well as trading restrictions out to the end of a four-year period; and
- deferred (equity-based) remuneration, which is underpinned by our minimum shareholding requirement.

Further information about our Senior Executive remuneration structure, including variable remuneration terms, is provided in section 5.

Chart 1: Senior Executive remuneration structure

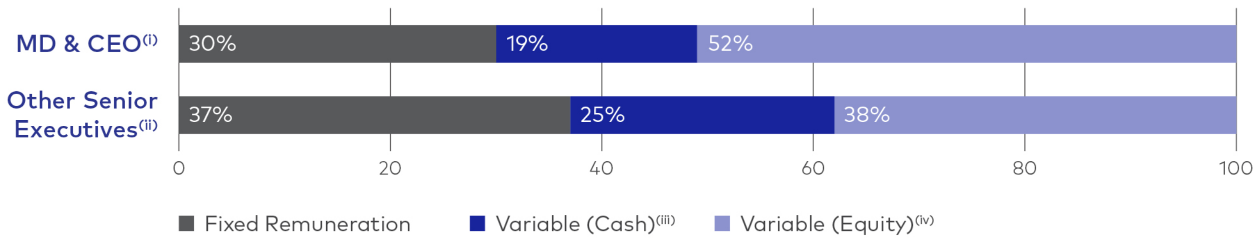


Remuneration mix

The mix of remuneration for Senior Executives has the largest weighting on variable remuneration and equity-based variable remuneration represents the largest component of total remuneration at stretch performance.

The mix of maximum total remuneration, representing stretch performance, is outlined in chart 2 below for 2021.

Chart 2: Senior Executive remuneration mix



(i) The remuneration mix for the MD & CEO reflects a base salary of $1,650,000 and the annual STI and LTI award reflects 105% and 150% of base salary respectively.

(ii) The remuneration mix for other Senior Executives reflects average base salary of the cohort and annual STI and LTI award both reflecting 90% of base salary.

(iii) Variable (Cash) remuneration includes the superannuation payable on the cash portion of the annual STI (60% for MD & CEO and 75% for other Senior Executives) and assumes all annual objectives are assessed at stretch performance.

(iv) Variable (Equity) remuneration includes the deferred portion of the annual STI (40% for MD & CEO and 25% for other Senior Executives) and assumes all annual objectives and performance rights granted under the Ampol Equity Incentive Plan (AEIP) are assessed at stretch performance.

Directors' Report continued
Remuneration Report continued

3. 2021 Senior Executive remuneration outcomes

A snapshot of 2021 remuneration outcomes is presented in table 1. A detailed overview of the 2021 performance measures and the overall assessment of performance is provided further below, in this section.

Table 1: Summary of 2021 Senior Executive remuneration outcomes

Fixed Remuneration	Variable Remuneration	
	Short-term incentive	Long-term incentive
No changes were made to Senior Executive fixed remuneration in 2021.	After consideration of holistic performance, the Board approved an average scorecard assessment of 132% of target for Senior Executives. 2021 annual STI outcomes represent 88% of maximum opportunity, on average.	6.66% of the 2018 LTI award vested in April 2021. For details on the 2019 LTI award which is due to vest in April 2022, refer to the 'Outlook for 2022', in section 6.

Fixed remuneration

As reported in the 2020 Remuneration Report, there were no permanent increases to fixed remuneration for Senior Executives. During her functional leadership of People and Culture, a higher duties salary was provided to Joanne Taylor during 2021. This amount is included in the salary values reported in table 5.

Following our annual independent market benchmarking process and recent changes in Senior Executive accountabilities, two Senior Executives will receive an increase in fixed remuneration in 2022. There will be no change to fixed remuneration for the MD & CEO in 2022. These details are included in section 6.

Short-term incentive

The Board takes a holistic approach in assessing performance through the consideration of a range of inputs and outcomes. Our STI framework rewards the achievement of annual scorecard performance measures aligned with sustainably delivering value and growth. Assessment of these measures represents a key input into the Board's assessment of performance and determination of STI outcomes.

For 2021, performance measures include a combination of financial and non-financial measures through the Ampol (Company) scorecard which accounts for 65% of target STI opportunity, with the remaining 35% of target STI opportunity determined through objectives aligned to our business area strategic priorities.

The following table provides an overview of the 2021 performance assessment for the Senior Executives.

3. 2021 Senior Executive remuneration outcomes continued

Table 2: 2021 performance commentary and assessment for short-term incentive

Performance measure	Commentary	Assessment
Ampol Scorecard (65%) *(i)*		
Profit (40%) (ii)		
Delivering annual RCOP NPAT to plan carries the greatest weight in the Ampol Scorecard. This ensures STI outcomes are heavily influenced by the annual profit result and aligned to shareholder experience. A profit gateway of 80% RCOP NPAT to plan applies to the entire Ampol Scorecard.	Our key financial measure of RCOP NPAT finished at $365 million, which is $153 million above 2020. This result represents a stretch outcome. The Board's review of significant items determined that $10.4 million (after tax) of IT impairments would be included in the RCOP NPAT result for the purpose of determining remuneration outcomes in 2021, This moved the RCOP NPAT result for remuneration purposes from $365 million to $355 million. After careful consideration and assessment against a set of robust principles, the Board determined that the $28 million received through the TRPP in 2021 will remain included in the RCOP NPAT result ($355 million). Section 9 in this report provides further detail on this determination.	Stretch
Safety (15%) (iii)		
Delivering safe, reliable, high-quality products and services to our customers is a critical measure of success. There are three safety measures which include Total Recordable Injury Frequency Rate (TRIFR) specific to both the Fuels and Infrastructure and Convenience Retail businesses, as well as recordable spills which is specific to Fuels and Infrastructure only. Performance gateways apply to each safety measure.	The commitment to safety was exemplified through another record-breaking personal safety outcome which continues to position us in the top-quartile against industry peers. Personal safety performance for the Fuels and Infrastructure and Convenience Retail businesses was above stretch performance, recording 1.9 and 4.6 TRIFR over the 2021 performance year, respectively. While there were no Tier 1 process safety events through 2021 (and none since 2018), three Tier 2 process safety events were recorded which resulted in the performance gateway of a maximum of two Tier 2 events in the year not being met and therefore, no STI is payable against the process safety measure.	Between target and stretch
Brand (10%)		
2021 was a transformative year for Ampol, relaunching the brand and accelerating site conversions around Australia. We established a clear approach to measure brand awareness and preference and tracked these metrics through a Brand Health monitor, managed by an external third party. We also set clear site conversion targets for 2021.	Customers have responded positively to the return of our iconic Australian brand, Ampol. Both Prompted Brand Awareness and Brand Preference reached our targeted performance range in 2021. With 880 sites rebranded in 2021, we are on track for completion of the Ampol network(iv) ahead of schedule.	Between target and stretch

Directors' Report continued
Remuneration Report continued

3. 2021 Senior Executive remuneration outcomes continued

Table 2: 2021 performance commentary and assessment for short-term incentive continued

Business Area Strategic Priorities (35%) [(v)]	
Enhance the core business	
• The rebrand is on track for completion ahead of schedule. We increased the value of the Convenience Retail portfolio through the announcement of a new property trust with 20 freehold convenience sites. We closed 19 unprofitable sites, progressed the redevelopment of four highway sites and added one NTI site in growth corridors. • Our decision to continue our refinery operations at Lytton and the negotiation with the Australian Government of the Fuel Security Services Payment (FSSP) significantly reduces earnings volatility and downside risk while retaining full benefit to earnings upside. • Improved returns for Fuels and Infrastructure Australia (including Lytton) through a $263m increase in RCOP EBIT compared to 2020.	Between target and stretch
Expand from a rejuvenated fuels platform	
• The strategy to grow international earnings through our supply chain expertise saw a 38% increase in international sales volumes. Fuels and Infrastructure International delivered a $39 million in EBIT uplift in 2021 and is on track to achieve the targeted $70 million uplift by 2024. • Pleasingly, in the first full year of the company operated site model in our Convenience Retail business, we have begun to see the benefits of the accelerated focus on reducing labour costs, waste, and shrinkage. Convenience Retail delivered a $53 million EBIT uplift by end 2021 and is on track to achieve the targeted $85 million EBIT uplift by 2024.	Between target and stretch
Evolve the energy offer for our customers	
• Our Future Energy and Decarbonisation strategies, including our ambition of achieving net zero emissions from operations by 2040 was released in Q2 2021 and provides a clear framework to meet our interim operational decarbonisation targets. • We are investing in future energy solutions for our customers with a commitment to spend a minimum of $100 million on future energy and decarbonisation projects by 2025. In 2021 four test and learn partnerships were delivered: – partnership with Endua for microgeneration and storage of hydrogen at remote sites, – launched a green hydrogen production trial with Fusion Energy Green Fuels at our Lytton refinery, – In collaboration with Tesla, commissioned VPP pilots at three sites in South Australia, and – secured ARENA funding to install EV fast chargers at 121 across Australia.	Between target and stretch

(i) The Ampol Scorecard represents a common set of performance measures for all incentive eligible employees at Ampol, including Senior Executives. A profit gate opener of 80% RCOP NPAT to target applies to this portion of the Scorecard.

(ii) The RCOP NPAT methodology calculates the cost of goods sold on the basis of theoretical new purchases instead of actual costs from inventory. The cost of these theoretical new purchases is calculated as the average monthly cost of cargoes received during the month of those sales. Similarly, where there are sales revenues on a different basis to current month pricing, the revenue is recalculated on current pricing with the resulting pricing lag a component of reported inventory gains and losses. Each year, the Board reviews any significant items, positive and negative, and considers their relevance to the RCOP NPAT result. Through this review it was determined that $10.4 million (after tax) of IT impairments would be included in the RCOP NPAT result for the purpose of determining remuneration outcomes in 2021. This moved the RCOP NPAT result for remuneration purposes from $365 million to $355 million. The Board may exclude any exceptional events from RCOP NPAT that management and the Board consider to be outside the scope of usual business. Exclusions may be made to give a clearer reflection of underlying financial performance from one period to the next.

(iii) TRIFR gateways of: Fatality = 0 and Category 2 injuries <=2. Fuels and Infrastructure recordable spills (> 1bbl marine spills) gateway of; Tier 1 process safety events <=1 and Tier 2 process safety events <=2

(iv) Excludes EG sites which have been delayed to the end of the program.

(v) The Board has oversight across objectives specific to each Senior Executive's strategic priorities. This includes financial and/or non-financial objectives to incentivise the creation of value and growth in each business area on an annual basis.

3. 2021 Senior Executive remuneration outcomes continued

Overall assessment for short-term incentive

While annual scorecard outcomes are the key driver of STI, the Board takes a holistic approach in assessing a range of quantitative and qualitative inputs and outcomes in carefully considering the performance of Ampol and its Senior Executives.

The approach taken includes oversight and judgement across a range of factors not included in the annual scorecard, including:

- management within the Board-approved risk appetite,
- performance and reward appropriateness through the lens of our shareholders, customers, employees, and communities,
- ability to attract and retain best fit capability to drive sustainable value, and
- adherence to Ampol's values, and Code of Conduct.

Taking all the relevant factors into account, the Board approved Senior Executive annual STI outcomes representing 88% of maximum opportunity, on average. Table 3 below sets out the Senior Executive STI outcomes as a result of the 2021 performance assessment.

Table 3: 2021 Senior Executive short-term incentive outcomes

	2021 STI as % of base salary			2021 Outcome as % of target opportunity	2021 Outcome as % of maximum opportunity
	Target Opportunity	Maximum Opportunity	Actual Outcome		
Current Senior Executives					
Matthew Halliday	70%	105%	**93%**	133%	**89%**
Greg Barnes(i)	60%	90%	**77%**	128%	**85%**
Andrew Brewer	60%	90%	**79%**	131%	**87%**
Brent Merrick	60%	90%	**78%**	130%	**87%**
Joanne Taylor	60%	90%	**83%**	138%	**92%**
Former Senior Executives					
Jeff Etherington(ii)	–	–	**–**	–	**–**

(i) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021. To attract Mr. Barnes to the role in the middle of the performance period, it was agreed that he would be entitled to a full-year 2021 STI opportunity based upon full year contractual salary and meeting clear performance objectives and in lieu of any sign-on arrangement. 25% of Mr Barnes' STI outcome is deferred into restricted shares for two years.

(ii) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021. Mr Etherington did not participate in the Senior Executive remuneration framework for 2021.

A portion of STI outcomes will be deferred in restricted shares for two years, for the MD & CEO this represents 40% and for the other Senior Executives it represents 25%. Further information on 2021 total remuneration outcomes for Senior Executives is set out in table 5.

Long-term incentive

The 2018 LTI grant vested in April 2021, following Board assessment of performance measures over the 1 January 2018 to 31 December 2020 performance period. Overall, 6.66% of the 2018 LTI award vested in April 2021. This grant was subject to the achievement of relative Total Shareholder Return (TSR) against S&P/ASX 100 companies (60%) and three strategic measures.

- Ampol's relative TSR performance compared to S&P/ASX 100 companies over this period was below threshold performance (50th percentile). No portion of the performance rights subject to this measure vested on 1 April 2021.
- The vesting performance of the Fuels and Infrastructure profit growth measure (20%) and Convenience Retail EBIT growth measure (10%) was below threshold.
- As disclosed in Ampol's 2020 remuneration report, performance of the franchisee transition measure (10%) was assessed at target resulting in 66.6% of this measure having vested on 1 April 2021.

Refer to section 6 for vesting outcome of the 2019 LTI award that will vest in April 2022.

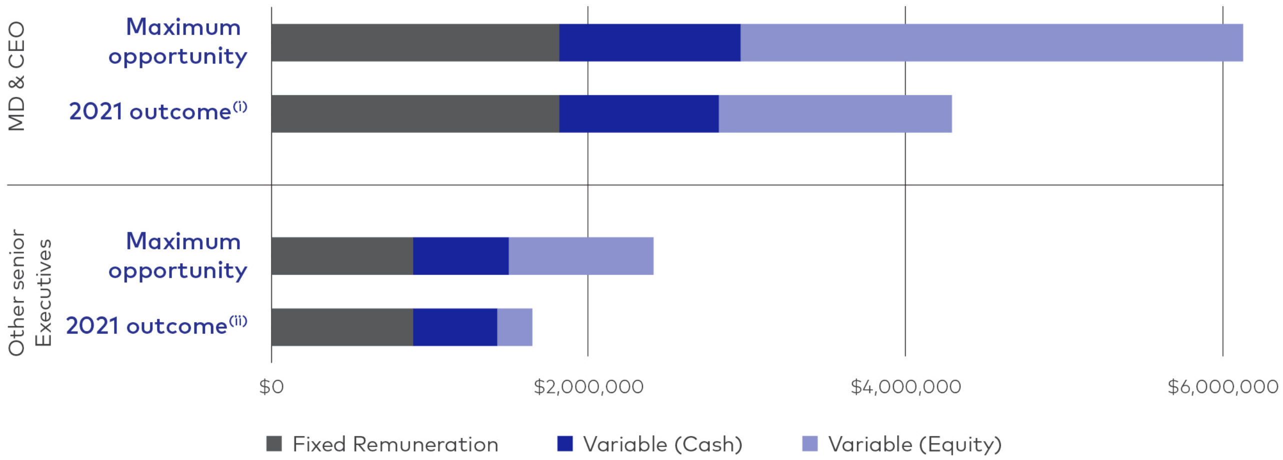
Directors' Report continued
Remuneration Report continued

3. 2021 Senior Executive remuneration outcomes continued

Summary of 2021 total remuneration outcomes continued

Chart 3 illustrates 2021 total remuneration outcomes compared to the maximum opportunity under the Senior Executive remuneration framework presented in chart 2 on page 49. This reflects the average of the variable remuneration outcomes presented in table 5 where the detail of total remuneration earned in 2021 for each Senior Executive is provided.

Chart 3: 2021 total remuneration outcomes



(i) For the MD & CEO the Variable (Equity) component includes restricted shares granted to Mr. Halliday as part of a sign-on arrangement upon commencement in 2019, and which vests over four years. 30.2% of this grant vested in 2021. Further details are provided in tables 10 and 11.

(ii) The 2021 outcome represents an average STI outcome of 88% of maximum opportunity for the 2021 performance year and LTI vested during the year.

3. 2021 Senior Executive remuneration outcomes continued

Link between Company performance and Senior Executive remuneration

Table 4 outlines Ampol's TSR, dividend, share price, earnings per share, RCOP NPAT results and safety performance each year from 2017 to 2021 together with a comparison to actual STI and LTI outcomes.

Our key financial measure of RCOP NPAT finished at $365 million, which is $153 million above 2020. This result represents the highest RCOP NPAT result since 2018, despite the continued backdrop of COVID-19 disruptions. We delivered another record-breaking personal safety outcome which continues to position us in the top-quartile against industry peers.

Ampol's Senior Executive remuneration outcomes have maintained strong alignment to Company performance and shareholder experience over time. Stretch RCOP NPAT performance for 2021 has resulted in STI being payable after two years of nil STI.

Table 4. Link between Company performance and Senior Executive remuneration (unaudited)

Summary of performance	2021	2020	2019	2018	2017
12-month TSR %(i)	**7.0**	-14.1	36.9	-21.7	11.8
Dividends paid (cents per share)	**75**	76	93	118	121
Share price(ii)	**$29.66**	$28.42	$33.95	$25.48	$34.05
RCOP NPAT excl. significant items earnings per share	**$1.53**	$0.84	$1.36	$2.06	$2.38
RCOP NPAT excl. significant items (million)(iii)	**$365**	$212	$344	$538	$621
Ampol safety – TRIFR(iv)	**3.4**	7.4	11.5	8.3	5.2
Ampol safety – DAFWIFR(v)	**1.8**	3.1	5.7	2.0	1.4
Link to remuneration					
RCOP NPAT relative to annual target	**153%**	43%	65%	89%	119%
Average Senior Executive STI outcome (to target)	**132%**	0%	0%	88%	121%
LTI vesting outcome at end of performance period					
Year of grant	**2019**	2018	2017	2016	2015
Vesting percentage	**13.33%**	6.66%	6.66%	21.22%	22.38%

(i) TSR is a measure of the return to shareholders in respect of each financial year. It is calculated as the change in share price for the year, plus dividends announced for the year, divided by the opening share price.

(ii) The price quoted is the trading price for the last day of trading (31 December) in each calendar year.

(iii) Measured using the RCOP method which excludes the impact of inventory gains and losses and significant items as determined by the Board providing a truer reflection of underlying financial performance.

(iv) Total Recordable Injury Frequency Rate (TRIFR).

(v) Days Away from Work Injury Frequency Rate (DAFWIFR). The total number of occupational injuries resulting in 'Days Away from Work' as certified by a physician during a nominated reporting period per 1,000,000 hours worked for a nominated reporting period.

Directors' Report continued
Remuneration Report continued

3. 2021 Senior Executive remuneration outcomes continued

2021 Total remuneration earned by Senior Executives

The following table sets out the actual remuneration earned by Senior Executives in 2021. The value of remuneration includes the long-term equity grants where the Senior Executive received control of the shares in 2021.

The purpose of this table is to provide a summary of the remuneration outcomes received in either cash or equity in 2021. The values in this table will not reconcile with those provided in the statutory disclosures in table 9. For example, table 9 discloses the value of LTI grants which may or may not vest in future years amortised over the vesting period and may be negative when adjustments for actual vesting outcomes are applied. The following table discloses the value of the 2018 LTI grant which vested in 2021 as well as the full value of the deferred portion of 2021 STI to be granted in April 2022 which is not reflected in table 9 on the same basis.

Table 5: Total remuneration earned by Senior Executives in 2021 (unaudited, non-statutory disclosure)

	Fixed Remuneration (i)	STI (Cash) (ii)	STI (Restricted Shares) (iii)	LTI vested during the year (iv)	Remuneration 'earned' for 2021 (v)
Current Senior Executives					
Matthew Halliday (Managing Director and Chief Executive Officer)					
2021	2,092,958	1,013,859	614,460	859,707	4,580,984
Greg Barnes (Group Chief Financial Officer)(vi)					
2021	565,015	601,920	182,400	-	1,349,335
Andrew Brewer (Executive General Manager, Fuel Supply Chain)					
2021	919,825	502,549	152,288	14,246	1,588,908
Brent Merrick (Executive General Manager, International and New Business)					
2021	878,730	460,103	139,425	155,634	1,633,892
Joanne Taylor (Executive General Manager, Consumer and B2B)(vii)					
2021	1,138,733	553,140	167,618	26,531	1,886,022
Former Senior Executives					
Jeff Etherington (Interim Chief Financial Officer)(viii)					
2021	461,864	158,389	-	15,987	636,240
Total remuneration:					
2021	**6,057,125**	**3,289,960**	**1,256,191**	**1,072,105**	**11,675,381**

(i) Salary and fees comprise base salary, superannuation on base salary, annual leave and long service leave entitlements, and any fringe benefits tax payable on non-monetary benefits.

(ii) The cash portion of short-term incentive for the 2021 performance year payable in April 2022 including employer superannuation contribution.

(iii) The grant value of the deferred portion of 2021 STI issued as restricted shares for two years to be granted in April 2022. 40% of the STI outcome is deferred for the MD & CEO and 25% of the STI outcome is deferred for the other Senior Executives.

(iv) This refers to cash and equity based LTI plans from prior years that have vested in the current 2021 year. The value is calculated using the closing share price of Company shares on the vesting date. The 2021 LTI figures reflect 6.66% of the 2018 LTI Award vested. For Mr Halliday, this amount refers to the value of the restricted shares which were granted in 2019 as part of a sign-on arrangement, of which 28,095 shares vested to him during 2021 (refer to table 10 for more detail). For Mr Merrick this amount includes the vesting value of tranche 1 of 2 of a one-off retention award of Share Rights granted in 2019.

(v) This refers to the total value of remuneration earned during 2021, being the sum of the prior columns.

(vi) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021. To attract Mr. Barnes to the role in the middle of the performance period, it was agreed that he would be entitled to a full-year 2021 STI opportunity based upon full year contractual salary and meeting clear performance objectives and in lieu of any sign-on arrangement.

(vii) Ms Taylor resigned from Ampol on 14 February 2022. The Board has exercised its discretion to pay STI for 2021 given the strong performance and contribution over the full performance period. Upon cessation of employment, the Restricted Shares component of 2021 STI (being 25%), will be forfeited.

(viii) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021. Mr Etherington did not participate in the Senior Executive remuneration framework for 2021.

Directors' Report continued
Remuneration Report continued

4. Remuneration governance

Board and Human Resources Committee

The Board takes an active role in the governance and oversight of Ampol's remuneration policies and practices. Approval of certain key human resources and remuneration matters are reserved for the Board, including setting remuneration for KMP and any discretion applied in relation to the targets or funding pool for Ampol's incentive plans.

The Human Resources Committee assists the Board to fulfil its corporate governance responsibilities in relation to Ampol's remuneration framework, incentive plans, succession planning, cultural health and engagement as well as diversity, equity and inclusion.

The Human Resources Committee seeks to put in place appropriate remuneration arrangements and practices that are clear and understandable, attract and retain talent and capability, and support superior performance and long-term growth in shareholder value.

Throughout the performance year the Human Resources Committee support the Board by regularly monitoring performance against the Board-approved Ampol Scorecard and strategic priorities for Senior Executives.

While annual scorecard outcomes are the primary driver of STI, the Board takes a holistic approach in assessing a range of quantitative and qualitative inputs and outcomes in carefully considering the performance of Ampol and its Senior Executives. The approach taken includes oversight and judgement across:

- management within the Board-approved risk appetite,
- performance and reward appropriateness through the lens of our shareholders, customers, employees and communities,
- ability to attract and retain best fit capability to drive sustainable value, and
- adherence to Ampol's values, and our Code of Conduct.

The Board uses this assessment in considering the potential for a discretionary overlay either upward or downward at the Ampol and/or individual level.

Further information about the role of the Board and the Human Resources Committee is set out in their charters, which are available on the Company's website (www.ampol.com.au).

External advice

The Human Resources Committee is independent of management and is authorised to obtain external professional advice as necessary. The use of external specialists to provide advice and recommendations specifically in relation to the remuneration of KMP is either initiated directly, or approved by, the Human Resources Committee, and these specialists are directly engaged by the Human Resources Committee Chair.

During 2021, Ampol received no 'remuneration recommendations' (as defined in the Corporations Act).

Malus and Clawback

Ampol has malus and clawback provisions over Senior Executive remuneration that allows the Company to reduce (including to zero) and/or recoup incentives that may have been awarded and/or vested to Senior Executives in certain circumstances. Triggers to enact these provisions include where the Senior Executive acts fraudulently or dishonestly; is in breach of their obligations; has brought a Group company into disrepute; delivers business performance which is unsustainable or involves unacceptably high risk; where there has been a material failure of risk management by the Company; misstatement or omission in the financial statements in relation to a Group company in any of the previous three financial years; or any other circumstances the Board determines in good faith to have resulted in an unfair benefit to the Senior Executive.

The Board may at any time exercise discretion if, acting in good faith, it determines that any trigger for malus and clawback exists or has occurred. These actions include; deem any vesting equity award granted to the Senior Executive to be forfeited; reissue any number of performance rights or restricted shares to the Senior Executive subject to new vesting conditions in place of any forfeited; require reimbursement of cash already paid to the Senior Executive following vesting; adjust the Senior Executive's future incentive remuneration; and/or initiate legal action against the Senior Executive.

Hedging and margin lending policies

The Ampol Securities Trading Policy prohibits KMP from entering into any arrangements that would have the effect of limiting their exposure relating to Ampol securities, including vested Ampol securities or unvested entitlements to Ampol securities under the Ampol Equity Incentive Plan (AEIP). KMP are prohibited from entering into any margin lending arrangements and other secured financing arrangements in respect of Ampol securities.

KMP are required to undertake training to ensure that they are aware of and understand their obligations and responsibilities under the Ampol Securities Trading Policy, which is available on our website. A contravention is a serious matter and may lead to disciplinary action, including termination of employment.

Directors' Report continued
Remuneration Report continued

5. Senior Executive remuneration in detail

Senior Executive remuneration and service agreements

MD & CEO

The MD & CEO's remuneration is determined by the Board following receipt of a recommendation from the Human Resources Committee. In making its remuneration recommendation, the Human Resources Committee considers the performance of the MD & CEO and external market remuneration levels for companies of a similar size and complexity.

The split between the MD & CEO's 2021 annual total target and maximum remuneration is outlined below.

Table 6. MD & CEO total remuneration

<table>
<tr><th rowspan="2"></th><th rowspan="2">Fixed Remuneration</th><th colspan="2">Variable Remuneration</th></tr>
<tr><th>STI [(ii)]</th><th>LTI [(iii)]</th></tr>
<tr><td>Target</td><td rowspan="2">$1,815,000[(i)]</td><td>$1,224,300 (70% of base salary)

Where target performance is achieved; all Company and individual financial and non-financial (incl. strategic) measures are assessed as meeting target objectives.</td><td>$1,650,000 (100% of base salary)

Where target performance is achieved; relative TSR 75th percentile of ASX 100 companies and ROCE measure meets target objective.</td></tr>
<tr><td>Maximum</td><td>$1,836,450 (105% of base salary)

Where stretch performance is achieved; all Company and individual financial and non-financial (incl. strategic) measures are assessed as meeting stretch objectives.</td><td>$2,475,000 (150% of base salary)

Where stretch performance is achieved; relative TSR 90th percentile of ASX 100 companies and ROCE measure meets stretch objective.</td></tr>
</table>

Notes:

(i) Fixed Remuneration consists of a base salary of $1,650,000 and superannuation contribution of 10.0%. The MD & CEO's base salary remains unchanged since his appointment effective 29 June 2020

(ii) Values include the superannuation contributions of 10.0% on the cash component of STI (60%), the deferred component of restricted shares (40%) does not attract superannuation.

(iii) LTI performance rights are tested at the end of a three-year performance period and converted to shares subject to a 12-month restriction period.

Table 7. Summary of MD & CEO's service agreement

Term	Conditions
Duration	Ongoing until notice is given by either party
Termination by MD & CEO	Six months' notice Company may elect to make payment in lieu of notice
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements)
Termination by Company (other)	Six months' notice Termination payment of six months' base salary (reduced by any payment in lieu of notice) Treatment of unvested STI and LTI in accordance with plan terms
Post-employment restraints	Restraint applies for six months if employed in the same industry within Australia

Mr Matthew Halliday was appointed as Chief Financial Officer in April 2019. Mr Halliday received an award of restricted shares to compensate him for forgone LTI at his prior employer. The restricted share grant will vest in four tranches over three years and reflects the vesting schedule of the LTI forgone. Each unvested tranche will lapse if his employment ceases due to resignation, negligent behaviour, unsatisfactory performance or circumstances requiring immediate termination prior to each respective vesting date. This arrangement was established prior to his appointment to the MD & CEO role.

5. Senior Executive remuneration in detail continued

Senior Executive remuneration and service agreements continued

Other Senior Executives

The remuneration and terms of employment for the other Senior Executives are formalised in service agreements (contracts of employment). Other Senior Executives are appointed as permanent Ampol employees, and the terms and conditions reflect market conditions at the time of the contract negotiation and appointment. The durations of the service agreements are open-ended (i.e. ongoing until notice is given by either party). The material terms of the service agreements are set out below.

Table 8. Service agreements for Senior Executives

	Termination on notice (by the Company)	Resignation (by the Senior Executive)
Permanently appointed Senior Executives	6 months	6 months

Should a Senior Executive resign, their entitlement to unvested shares payable through the AEIP would generally be forfeited and if resignation was on or before 1 April of the year, any entitlement under the Leading Results Program would also be forfeited subject to the discretion of the Board. Should a Senior Executive be made redundant, their redundancy payment is determined by the Ampol Redundancy Policy with the payment calculated based on years of service and the applicable notice period.

Other than prescribed notice periods, there is no special termination benefit payable under the service agreements. Statutory benefits (such as long service leave) are paid in accordance with the legislative requirements at the time the Senior Executive ceases employment.

2021 Short-term Incentive Program

Plan	STI awards are made under the Leading Results Program.
Plan design	The plan considers Company performance against key financial and non-financial performance measures defined in the Ampol (Company) Scorecard (65%) as well as individual contribution of the Senior Executive in delivering objectives aligned to our business area strategic priorities (35%).
Period	The performance period is for the 12 months ending 31 December 2021.
Incentive opportunity	For the MD & CEO the target STI opportunity is 70% of base salary and the maximum stretch STI opportunity is 105% of base salary. For other Senior Executives the target STI opportunity is 60% of base salary and the maximum stretch STI opportunity is 90% of base salary. Below threshold performance results in 0%.
Financial gateway	RCOP NPAT performance, including the cost of incentives, must achieve 80% of target before STI is payable for 65% of the Leading Results Program (the Ampol Scorecard).
Deferral	STI awards are delivered part in cash (60% for the MD & CEO, 75% for other Senior Executives), and part in Restricted Shares deferred for two years (where the deferred component is over $25,000). Superannuation is only payable on the cash portion of STI.
Restricted Shares	The number of Restricted Shares granted will be calculated by dividing the deferred portion of Senior Executive STI outcome by the volume-weighted average price (VWAP) of the Company's ordinary shares for 20 trading days up to 1 January 2022. Restricted Shares will be granted on or around 15 April 2022 consistent with payment of the STI cash portion. Senior Executives will be restricted in trading shares until 1 April 2024 (Vesting Date).
Cessation of employment	Unless the Board determines otherwise, if you cease employment with a Group Company prior to the Vesting Date of Restricted Shares: • due to resignation or dismissal for cause, your Restricted Shares will immediately be forfeited; • for any other reason, (including due to retirement, Total and Permanent Disability, death or redundancy), your Restricted Shares will remain on foot and will vest at the original Vesting Date.
Frequency	STI awards are paid annually. Payments are made in the April following the end of the performance period and Board approval.
Board discretion	The Board has discretion to alter, remove or substitute performance measures at any time prior to payment and has full discretion in relation to calculations and outcomes.

Directors' Report continued
Remuneration Report continued

5. Senior Executive remuneration in detail continued

2021 Long-term Incentive Plan

Plan	The 2021 LTI award was granted under the AEIP.
LTI instrument	Performance rights are granted by the Company for nil consideration. Each Performance Right is an entitlement to receive one Restricted Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance conditions over the performance period and the cessation of employment rules outlined further below. Performance Rights do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions, such as bonus issues. Performance Rights are not transferable (except in limited circumstances or with the consent of the Board). Following vesting, performance rights are converted to restricted shares and may not be sold or otherwise dealt with, until the end of the 12 month restricted period. Restricted shares are not transferable (except in limited circumstances or with the consent of the Board).
Allocation methodology	The number of Performance Rights granted has been calculated by dividing the maximum LTI opportunity by the VWAP of the Company's ordinary shares for 20 trading days up to the first day of the Performance Period, discounted to recognise that the Performance Rights have no rights to receive dividends.
Performance period	The performance period is three years commencing on 1 January in the year the awards are made. For the 2021 awards, this is the three-year period from 1 January 2021 to 31 December 2023.
LTI opportunity	The MD & CEO received a grant of performance rights based on a maximum stretch LTI value of 150% of base salary. The target LTI value is 100% of base salary. Other Senior Executive grants were based on a maximum stretch LTI value of 90% of base salary with target LTI value of 60% of base salary.
Performance measures	Vesting of Performance Rights is subject to the following performance conditions: • 50% of the Performance Rights are subject to a relative TSR measure, reflecting shareholder experience; and • 50% of the Performance Rights are subject to a return on capital employed (ROCE) measure, reflecting the Company's return on capital.
Vesting	Vesting will occur in the April following the performance period once the performance measures have been assessed per the vesting schedule. For the 2021 awards, this will be April 2024.
Vesting schedule	Relative TSR performance[(i)] and percentage of the rights that will vest: • Threshold (50th percentile): 50% • At or above Stretch (75th percentile): 100% • Pro-rata vesting occurs between threshold and stretch performance levels ROCE is determined as RCOP EBIT over capital employed where capital employed is total equity plus net debt. ROCE will be calculated by using the average RCOP EBIT and the average capital employed over the three year performance period. ROCE performance[(ii)] and percentage of the rights that will vest: • Threshold: 33.3% • Target: 66.6% • Stretch: 100% • Pro-rata vesting occurs between threshold and target, and target and stretch performance levels

(i) Relative TSR measures a return on an investment in Shares over the Performance Period, relative to companies that comprise Standard & Poor's S&P/ASX 100 index at the commencement of the Performance Period. The return is based on an investor's return, defined as the percentage difference between the initial amount invested in Shares and the final value of those Shares at the end date, assuming dividends were reinvested. Any effects from Share price volatility on a particular day at the beginning or end of the Performance Period are smoothed out by calculating the average Share price over a reasonable time period determined by the Board. The Board has discretion to adjust the comparator group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period. The Board retains discretion to adjust the TSR measure or vesting schedule in exceptional circumstances, including matters outside of management's influence, to ensure that a participant is neither advantaged nor disadvantaged by matters that may materially affect achievement of the TSR performance measure.

(ii) Threshold ROCE performance has been set above our Weighted Average Cost of Capital (WACC) and target aligned to the three-year business plan target approved in 2020. When testing the ROCE targets, the Board has full discretion in relation to its calculations and may include or exclude items, including to appropriately reflect the impact of corporate actions, such as mergers and acquisitions or major projects, which, while in shareholders' long term interests, may adversely impact near term ROCE. The Board considers ROCE targets as commercially sensitive, as disclosure could potentially indicate the Company's margins. Therefore, those targets will not be disclosed during the performance period. The Board will set out how Ampol has performed against ROCE performance measures in the 2023 Remuneration Report, to be published in February 2024.

5. Senior Executive remuneration in detail continued

2021 Long-term Incentive Plan continued

<table>
<tr><td>Allocation of Shares upon vesting</td><td>Following determination of the extent to which the performance conditions have been satisfied (at the end of the three-year performance period), vested Performance Rights will be automatically exercised, and one Restricted Share will be allocated for each vested Performance Right that is exercised (unless the Board decides to settle any vested Performance Rights in cash).
The Company’s obligation to allocate Restricted Shares on vesting and automatic exercise will be satisfied using shares that have been purchased on-market.</td></tr>
<tr><td>Price payable for securities</td><td>No amount is payable in respect of the grant of Performance Rights, nor in respect of any Restricted Shares allocated following vesting of the Performance Rights.</td></tr>
<tr><td>Cessation of employment</td><td>The treatment of the Performance Rights and Restricted Shares upon cessation of employment is summarised in the table below:
<table>
<tr><th>Date of cessation</th><th>Reason</th><th>Outcome</th></tr>
<tr><td>Less than six months after grant date</td><td>Any</td><td>All Performance Rights will immediately lapse</td></tr>
<tr><td>At least six months after grant date, but prior to vesting</td><td>Resignation or dismissal for cause</td><td>All Performance Rights will immediately lapse</td></tr>
<tr><td></td><td>Any other reason</td><td>Unless the Board determines otherwise, Performance Rights will continue and vest on the original vesting date, subject to satisfaction of the performance conditions. The Board has discretion to determine that only a pro-rata number of Performance Rights continue, based on the Performance Period elapsed.</td></tr>
<tr><td>Following vesting (whilst holding Restricted Shares)</td><td>Any</td><td>The restrictions on the Shares will immediately be lifted.</td></tr>
</table>
The Board may exercise its discretion to determine a different treatment prior to or within 60 days of the cessation date. In the event that any additional lapsing of Performance Rights is determined by the Board, the lapse will be deemed to have taken effect on the cessation date.</td></tr>
<tr><td>Malus and Clawback</td><td>The Plan provides the Board with the ability to reduce, vary or claw back Performance Rights, Restricted Shares and Shares in circumstances where the Board considers that the Senior Executive received inappropriate or unfair benefits in connection with their 2021 LTI, or any other remuneration. These circumstances may include fraud, dishonesty, gross misconduct, material misstatement of accounts or risk failures.</td></tr>
<tr><td>Change of control provisions</td><td>Any unvested performance rights may vest at the Board’s discretion.</td></tr>
</table>

Senior Executive minimum shareholding requirements

A minimum shareholding requirement was introduced in 2021 and applies to the MD & CEO as 100% of fixed annual remuneration, and other Senior Executives as 50% of fixed annual remuneration. The minimum shareholding is to be obtained within five years of 1 January 2021 or 1 July following Senior Executive commencement.

Directors' Report continued
Remuneration Report continued

6. Outlook for 2022

Fixed remuneration

In 2021 a review of Ampol's operating model was completed ensuring we balance today's business with investment for tomorrow and keep customers at the heart of everything we do. Senior Executive portfolios were revised as a new leadership team was established. A comprehensive external and independent remuneration benchmarking exercise was completed following the appointment of Senior Executives to new positions.

The benchmarking demonstrated that our remuneration framework remains competitive and delivers an appropriate mix of fixed and variable remuneration. However, to ensure total remuneration levels appropriately reflect the scope of our Senior Executive roles, two Senior Executives will receive adjustments to base salary, to take effect in 2022.

- Andrew Brewer will receive a 3% increase following appointment to the Executive General Manager Fuel Supply Chain role; and
- Brent Merrick will receive an 8% increase following appointment to the Executive General Manager International and New Business role.

Variable remuneration

Short-term Incentive plans

Commencing from 2022, climate measures will form a key input in determining STI outcomes. A 10% weighting to Climate measures will be added to the Ampol Scorecard through a reweighting of both Safety and Brand measures. There are no other anticipated changes to STIs for 2022.

At Ampol, sustainability has long been an integral part of our culture and strategy to deliver long-term value for our shareholders, customers and the community. Our approach involves making sustainability core to decision-making at all levels in our business and in a way that balances ESG aspects with broader strategic objectives.

Ampol is committed to being an organisation that reduces its operational carbon footprint as well as finding and developing new energy solutions that can meet our customers' needs as they evolve. These dual objectives are intrinsic to our longevity and delivering sustained value to our stakeholders. Therefore, commencing from 2022, climate measures will form a key part of determining STI outcomes.

Ampol's climate measures will focus on decarbonisation across Scope, 1, 2 and 3 emissions by measuring progress against annual climate performance. Performance will be determined by assessing progress made towards:

- 2025 Scope 1 and 2 emissions targets through the delivery of abatement projects; and
- Scope 3 emissions intensity reduction goals through the delivery of targeted e-mobility, hydrogen and biofuels initiatives.

These focus areas are strongly aligned to our strategy and future success in delivering sustainable value to our stakeholders.

Long-term Incentive plans

There are no anticipated changes to the 2022 LTI plan. The terms of the 2021 LTI plan presented in section 5 of this report will apply consistently to the 2022 LTI grant to be awarded in April 2022.

Following Board assessment of performance measures over the three-year performance period ending 31 December 2021, 13.33% the 2019 LTI grant will vest in April 2022. This grant was subject to the achievement of relative TSR (60%) and a ROCE measure (40%):

- Ampol's relative TSR performance compared to S&P/ASX 100 companies over the period was at the 44th percentile representing below threshold (50th percentile) performance. No portion of the performance rights subject to this measure will vest in April 2022.
- Ampol's ROCE performance over the period was 10.3% representing threshold performance. Consistent with the determination of RCOP NPAT for remuneration purposes in 2021, IT impairments of $10.4 million (after tax) were included in the final determination of the ROCE performance calculation over the three years ending 31 December 2021. ROCE threshold is defined as WACC plus 1% with ROCE target defined per 2019 three-year Business Plan. Average annual pre-tax WACC over the performance period was 9.2%. The at threshold assessment of ROCE results in 33.3% of the performance rights subject to this measure vesting (13.33% of the total 2019 LTI award).

Where the Senior Executive does not meet their minimum shareholding requirement at the vesting date, 25% of the of the vested portion of the 2019 LTI award will be converted to restricted shares with four-year dealing restriction (i.e., until April 2026). The restricted shares will be converted to ordinary shares at the earlier of the four year restriction period; the Senior Executive meeting their minimum shareholding requirement; or upon cessation of employment.

Performance of the 2020 LTI grant will be tested at the year ending 31 December 2022 with the potential to vest in April 2023. The 2020 LTI grant is subject to equally weighted relative TSR and ROCE performance measures.

Directors' Report continued
Remuneration Report continued

7. Senior Executive remuneration tables

Table 9. Total remuneration for Senior Executives in 2021 (statutory disclosures)

The following table sets out the audited total remuneration for Senior Executives in 2020 and 2021, calculated in accordance with statutory accounting requirements:

				Post-employment	Other long-term		Equity		Total
	Salary and fees (i)	Bonus (short- term incentive) (ii)	Non-monetary benefits (iii)	Super-annuation (iv)	Other (v)	Retention Award (vi)	Share benefits (vii)	Rights benefits (long-term incentive) (viii)	
Current Senior Executives									
Matthew Halliday(ix) (xi)									
2021	**1,964,671**	**921,690**	**64,414**	**114,800**	**41,242**	**255,500**	**691,102**	**871,953**	**4,925,372**
2020	1,552,762	0	59,972	21,348	41,305	1,277,500	809,972	63,016	3,825,875
Greg Barnes(ix) (xii)									
2021	**536,580**	**547,200**	**4,668**	**66,504**	**11,982**	**–**	**56,088**	**192,018**	**1,415,040**
2020	–	–	–	–	–	–	–	–	–
Andrew Brewer(ix) (xiii)									
2021	**866,674**	**456,863**	**11,148**	**68,317**	**19,371**	**–**	**46,828**	**104,651**	**1,573,852**
2020	72,874	–	1,242	6,428	1,699	–	–	–	82,243
Brent Merrick(xiv)									
2021	**688,012**	**418,275**	**89,446**	**125,229**	**17,871**	**–**	**42,873**	**308,889**	**1,690,595**
2020	195,306	–	29,360	17,124	4,597	–	–	53,164	299,551
Joanne Taylor(ix) (x)									
2021	**1,077,656**	**502,855**	**18,206**	**72,916**	**20,240**	**147,779**	**51,542**	**331,355**	**2,222,549**
2020	882,719	–	20,632	21,348	20,240	738,897	–	(1,499)	1,682,337
Former Senior Executives									
Jeff Etherington(ix) (xv)									
2021	**436,785**	**143,990**	**7,917**	**25,246**	**6,315**	**127,750**	**–**	**78,200**	**826,203**
2020	620,225	–	13,550	16,098	12,748	638,750	–	(8,516)	1,292,855
Total remuneration:									
2021	**5,570,378**	**2,990,873**	**195,799**	**473,012**	**117,021**	**531,029**	**888,433**	**1,887,066**	**12,653,611**
2020	3,323,886	–	124,756	82,346	80,589	2,655,147	809,972	106,165	7,182,861

Directors' Report continued
Remuneration Report continued

7. Senior Executive remuneration tables continued

Table 9. Total remuneration for Senior Executives in 2021 (statutory disclosures) continued

(i) Salary and fees include base salary and cash payments in lieu of employer superannuation. For 2021 the cash payments in lieu of employer superannuation is on 2021 base salary only. These figures also include any annual leave accruals for Senior Executives.

(ii) Bonus represents the cash component of the 2021 STI payable in April 2022 excluding employer superannuation contribution.

(iii) The non-monetary benefits received by Senior Executives include car parking benefits, employee AmpolCard benefits, the payment of the default premiums for death and total and permanent disability insurance cover and related fringe benefits tax payments made by Ampol.

(iv) Superannuation includes the employer superannuation contributions paid, and includes the full value of employer superannuation on the cash component of the 2021 STI payable in April 2022.

(v) Other long-term remuneration represents the long service leave accruals for all Senior Executives.

(vi) As disclosed in the 2020 Remuneration Report, to mitigate the heightened retention risk during a protracted take-over bid and to ensure Senior Executive team stability through the transition of MD & CEO, a one-off cash retention award was granted. This value represents the amount of the retention award accrued for in 2021 being two out of 12 months of the total retention award. This value is not reported in table 5 as the full value of this award was reported in table 4a of the 2020 Remuneration Report.

(vii) Share benefits represent the value of the deferred component of STI delivered in Restricted Shares that have been or that will be awarded to Senior Executives. For Mr Halliday this includes the value of Restricted Shares granted to him upon commencement. These values have been calculated in accordance with accounting standards with further details regarding these awards set out in table 10.

(viii) These values have been calculated in accordance with accounting standards. The values may not represent the future value that the Senior Executive will receive, as the vesting of the performance rights is subject to Ampol achieving pre-defined performance measures. The value of Restricted Shares and Performance Rights is amortised over the applicable vesting period. The amount shown is the amortisation relating to the 2021 reporting year (and 2020 as a comparison). The accounting value of share-based payments may be negative where a Senior Executive's share-based payment expense includes adjustments for previously incurred expenses relating to an award that has not met its vesting conditions. For Mr Merrick this amount includes the value of a one-off retention award of Share Rights granted in 2019.

(ix) These Senior Executives elect to receive an equivalent cash payment in lieu of employer superannuation that is in excess of the quarterly Superannuation Guarantee Maximum.

(x) Ms Taylor resigned from Ampol on 14 February 2022. The Board has exercised its discretion to pay STI for 2021 given the strong performance and contribution over the full performance period. Upon cessation of employment, the Restricted Shares component of 2021 STI (being 25%), will be forfeited. Ms Taylor remains eligible for the 2019 LTI award subject to the terms of the offer and upon cessation of employment will forfeit eligibility for both the 2020 and 2021 LTI awards.

(xi) Mr Halliday was appointed MD & CEO effective 29 June 2020.

(xii) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021.

(xiii) Mr Brewer was appointed Executive General Manager effective 1 December 2020.

(xiv) Mr Merrick was appointed Executive General Manager effective 28 September 2020.

(xv) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021. Mr Etherington did not participate in the Senior Executive remuneration framework for 2021.

7. Senior Executive remuneration tables continued

Table 10. Unvested shareholdings of Senior Executives during 2021

	Unvested shares at 31 Dec 2020	Restricted shares granted	Shares vested in current performance year	Forfeited	Unvested shares at 31 Dec 2021
Matthew Halliday(i)	60,630	–	28,095	–	32,535

(i) The restricted shares awarded to Mr Halliday represent the grant received on commencement with Ampol in lieu of the LTI forgone with his previous employer (refer to section 5 for further detail). 17.5% vested in October 2019, 17.5% vested in October 2020, and 30.2% vested in October 2021. The final tranche of 34.8% will vest in October 2022.

Table 11. Restricted Share grant to a Senior Executive – other awards

The following table provides an estimate of the future cost to Ampol of unvested Restricted Shares based on the progressive vesting of the Restricted Shares. One award was made to Matthew Halliday in 2019 in respect of unvested LTI which lapsed upon his resignation with his prior employer. The estimated future cost of the unvested shares has been supplied below.

	Type of award	Year of award	Vested (% of shares vested)	Future years when shares will vest	Future cost to Ampol of unvested shares ($)
Matthew Halliday	Sign-on	2019	65.1%	2022 (34.9%)	202,329

Table 12. 2021 Senior Executive performance rights

LTIs for Senior Executives are awarded as performance rights under the AEIP as detailed in section 5. The following table demonstrates movement in performance rights held by Senior Executives during the year, including details of the performance rights that vested as presented in table 5.

	Performance rights at 1 Jan 2021(i)	Granted in 2021(ii)	Vested in 2021(iii)	Lapsed in 2021(iv)	Balance at 31 December 2021(v)
Current Senior Executives					
Matthew Halliday	105,109	97,016	–	–	202,125
Greg Barnes(vi)	–	52,326	–	–	52,326
Andrew Brewer	8,717	25,612	(581)	(8,136)	25,612
Brent Merrick	45,653	23,630	(6,347)	(5,946)	56,990
Joanne Taylor	70,892	26,760	(1,082)	(15,163)	81,407
Former Senior Executives					
Jeff Etherington(vii)	35,386	9,270	(652)	(9,133)	34,871

(i) This relates to the 2018, 2019 and 2020 performance rights. If the service-based and performance-based vesting conditions are achieved, the 2019 and 2020 performance rights will vest in 2022 and 2023 respectively. For Senior Executives appointed during the year this includes performance rights held at the time of appointment. For Mr Merrick this value includes a one-off retention award of share rights granted in 2019 vesting in equal tranches in April 2021 and April 2022.

(ii) This relates to the 2021 performance rights. If the service-based and performance-based vesting conditions are achieved, these performance rights will vest in 2024. For Mr Halliday this includes additional allocation of 2020 performance rights following permanent appointment to the MD & CEO role 29 June 2020.

(iii) This relates to the 2018 performance rights of which 6.66% vested. Senior Executives received one Ampol share for each right that vested. For Mr Merrick this value includes a one-off retention award of share rights granted in 2019 vesting in equal tranches in April 2021 and April 2022.

(iv) This relates to the 2018 performance rights of which 93.33% lapsed and for the former Senior Executives the full or pro-rated portion of unvested performance rights which lapsed on cessation of employment. Refer to section 5.

(v) The performance rights for any former Senior Executives are as at the date they ceased employment or retired from their office.

(vi) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021. To attract Mr. Barnes to the role in the middle of the performance period it was agreed that he would be entitled to participate in the 2021 performance rights grant at a level equivalent to two thirds greater than his regular annual entitlement. This grant represents deferred, equity based, performance conditioned remuneration in lieu of any sign-on arrangement.

(vii) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021.

Directors' Report continued
Remuneration Report continued

7. Senior Executive remuneration tables continued

Table 13. Valuation assumptions of performance rights granted

The fair value of performance rights granted under the AEIP is determined independently by Deloitte using an appropriate numerical pricing model. The model considers a range of assumptions and the fair values for each year of grant have been calculated incorporating the assumptions below.

	2021 grant(i)(ii)		2020 grant(i)(ii)		2019 grant(i)	
	Relative TSR against S&P/ASX 100	ROCE measure	Relative TSR against S&P/ASX 100	ROCE measure		
Grant date	07 April 2021 24 May 2021 15 July 2021	07 April 2021 24 May 2021 15 July 2021	03 April 2020	03 April 2020	4 April 2019 20 May 2019	4 April 2019 20 May 2019
Vesting date	1 April 2024	1 April 2024	1 April 2023	1 April 2023	1 April 2022	1 April 2022
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	33% 34% 34%	33% 34% 34%	29%	29%	20% 20%	20% 20%
Risk-free interest rate	0.3% 0.2%	0.3% 0.2%	0.2%	0.2%	1.4% 1.2%	1.4% 1.2%
Dividend yield	2.0% 1.7% 1.6%	2.0% 1.7% 1.6%	3.6%	3.6%	4.5% 4.4%	4.5% 4.4%
Expected life (years)	3.0 2.9 2.7	3.0 2.9 2.7	3.0	3.0	3.0 2.9	3.0 2.9
Share price at grant date	$24.57 $29.02 $29.30	$24.57 $29.02 $29.30	$23.00	$23.00	$26.50 $27.01	$26.50 $27.01
Valuation per right	$10.06 $16.16 $15.01	$23.18 $27.69 $28.03	$9.07	$20.65	$8.23 $8.08	$23.19 $23.83

(i) Market performance measures, such as relative TSR, must be incorporated into the option-pricing model valuation used for the AEIP performance rights, which is reflected in the valuation per performance right. Non-market vesting conditions such as ROCE and strategic measures are not taken into account when determining the value of the performance right. This explains the higher valuation for these performance rights. However, the value of the ROCE measures may be discounted during the performance period to reflect the Board's assessment of the probability of the number of equity instruments that will vest based on progress against the performance measures. Table 9 reflects these values.

(ii) The majority of Senior Executive awards are made in April of each year, with the MD & CEO's awards were made after shareholder approval was obtained at the Annual General Meeting held in May. Approval of Mr Halliday's 2020 award was not sought as he was Interim CEO and not a Managing Director at this time. In 2021 an AEIP performance rights grant was made to Mr Barnes upon commencement.

8. Non-executive Director remuneration

Summary of 2021 Non-executive Director fees

NED fees are fixed and do not have any variable components. The Chairman receives a fee for chairing the Ampol Limited Board and is not paid any other fees. Other NEDs receive a base fee and additional fees for Committee chairmanship and membership, except for the Nomination Committee where no additional fee is paid.

NEDs base fees did not change in 2021 and no changes to NED fees are anticipated in 2022.

Superannuation contributions were made consistent with the Superannuation Guarantee. No additional retirement benefits were paid.

Fees paid to NEDs are subject to a maximum annual NED fee pool of $2.5 million (including superannuation). The fee pool was approved by shareholders at the 2016 Annual General Meeting and is unchanged since that time.

Our approach to Non-executive Director fees

Ampol's business and corporate operations are managed under the direction of the Board. The Board oversees the performance of Ampol's management in seeking to deliver superior business performance and long-term growth in shareholder value. The Board recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives.

Under the Ampol Constitution and the ASX Listing Rules, the total annual fee pool for NEDs is approved by shareholders. Within this aggregate amount, NED fees are reviewed by the Human Resources Committee, considering recommendations from an independent remuneration consultant, and set by the Board.

Fees for NEDs are set at a level to attract and retain directors with the necessary skills and experience to allow the Board to have a proper understanding of, and competence to deal with, current and emerging issues for Ampol's business. The Board seeks to attract directors with different skills, experience, expertise and diversity. Additionally, when setting NED fees, the Board considers factors such as external market data on fees and the size and complexity of Ampol's operations.

The NEDs' fees are fixed, and NEDs do not participate in any Ampol incentive plan.

Table 14. 2021 Non-executive Director fees

The following table outlines the 2021 NED fees.

	Board		Committees(i)	
	Chairman	Member	Committee Chairman	Member
2021 fee(ii)	$502,207	$167,403	$46,000	$20,000

(i) Comprising the Audit Committee, Human Resources Committee, and Safety and Sustainability Committee. No fees are paid to the Chair or members of the Nomination Committee.

(ii) Ampol paid superannuation consistent with the Superannuation Guarantee for NEDs in addition to the above fees in 2021.

Directors' Report continued
Remuneration Report continued

8. Non-executive Director remuneration continued

Non-executive Director remuneration

Table 15. Non-executive Director fees in 2021 (statutory disclosures)

The following table sets out the audited NED fees in 2020(i) and 2021, calculated in accordance with statutory accounting requirements and which reflect the actual remuneration received during the financial year. NEDs are not eligible to receive any cash or equity-based incentives.

	Salary and fees	Superannuation(ii)	Total
Current Non-executive Directors			
Steven Gregg (Chairman)			
2021	502,207	48,965	551,172
2020	477,097	45,324	522,421
Mark Chellew			
2021	207,403	20,222	227,625
2020	197,033	18,718	215,751
Melinda Conrad(iv)			
2021	224,168	21,855	246,023
2020	197,253	18,718	215,971
Elizabeth Donaghey(v)			
2021	69,134	6,913	76,048
2020	–	–	–
Michael Ihlein(iii)(vi)			
2021	256,160	–	256,160
2020	133,915	6,652	140,567
Gary Smith(vii)			
2021	207,403	20,222	227,625
2020	114,072	10,837	124,909
Penny Winn			
2021	233,403	22,757	256,160
2020	221,733	21,065	242,798
Former Non-executive Directors			
Barbara Ward AM(viii)			
2021	86,367	8,183	94,550
2020	222,139	21,065	243,204

(i) In 2020, NED fees were reduced by 20% for a period of three months to assist in the organisational response to COVID-19.

(ii) Superannuation contributions are made on behalf of NEDs to satisfy Ampol's obligations under the Superannuation Guarantee legislation. Fees paid to NEDs may be subject to fee sacrifice arrangements for superannuation.

(iii) These NEDs were provided a superannuation guarantee employer shortfall exemption from the Australian Tax Office and were provided employer superannuation contributions as a cash allowance for part of the year.

(iv) Ms Conrad was appointed Chair of the Human Resources Committee effective 13 May 2021.

(v) Ms Donaghey was appointed to the Board as an Independent, Non-executive Director effective 1 September 2021.

(vi) Mr Ihlein was appointed to the Board as an Independent, Non-executive Director effective 1 June 2020.

(vii) Mr Smith was appointed to the Board as an Independent, Non-executive Director effective 1 June 2020.

(viii) Ms Ward AM retired from the Board as an Independent, Non-executive Director effective 13 May 2021.

8. Non-executive Director remuneration continued

Shareholdings of Key Management Personnel

Table 16: Shareholdings of Key Management Personnel

The movement during the reporting period in the number of shares of Ampol Limited held directly or indirectly by each KMP, including their personally related entities, is in the following table.

Each NED is required to hold an interest in shares in Ampol with a market value no less than their Board base fee, within three years of appointment to the Board. A minimum shareholding requirement is also in place for current Senior Executives (refer to section 5).

	Held at 31 Dec 2020	Purchased	Vested	Sold	Held at 31 Dec 2021(i)
Current Directors					
Steven Gregg	6,000	10,000	–	–	16,000
Mark Chellew	1,400	5,500	–	–	6,900
Melinda Conrad	8,000	–	–	–	8,000
Elizabeth Donaghey(ii)	–	1,600	–	–	1,600
Michael Ihlein(iii)	–	7,720	–	–	7,720
Gary Smith(iv)	–	2,150	–	–	2,150
Penny Winn	5,911	1,550	–	–	7,461
Former Directors					
Barbara Ward AM(v)	6,500	–	–	–	6,500
Current Senior Executives					
Matthew Halliday	32,536	3,688	28,095	–	64,319
Greg Barnes(vi)	–	7,500	–	–	7,500
Andrew Brewer(vii)	17,063	–	581	–	17,644
Brent Merrick(viii)	874	–	–	–	874
Joanne Taylor	4,249	–	1,082	–	5,331
Former Senior Executives					
Jeff Etherington(ix)	4,712	–	652	–	5,364

(i) The shareholdings for any former Directors or former Senior Executives are as at the date they ceased employment or retired from their office.
(ii) Ms Donaghey was appointed to the Board as an Independent, Non-executive Director effective 1 September 2021.
(iii) Mr Ihlein was appointed to the Board as an Independent, Non-executive Director effective 1 June 2020.
(iv) Mr Smith was appointed to the Board as an Independent, Non-executive Director effective 1 June 2020.
(v) Ms Ward AM retired from the Board as an Independent, Non-executive Director effective 13 May 2021.
(vi) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021.
(vii) Mr Brewer was appointed Executive General Manager, Infrastructure effective 1 December 2020.
(viii) Mr Merrick was appointed Executive General Manager, Commercial effective 28 September 2020. Mr. Merrick received vested share rights in cash.
(ix) Mr Etherington remains employed with Ampol but ceased in the KMP role of Interim Chief Financial Officer effective 30 June 2021.

Other Key Management Personnel transactions

Apart from as disclosed in the indemnity section of the Directors' Report, no KMP have entered into a material contract, loan or other transaction with any entity in the Ampol Group during the year ended 31 December 2021 (2020: nil).

Directors' Report continued
Remuneration Report continued

8. Non-executive Director remuneration continued

Board and Committee meetings

The Ampol Board met 17 times during the year ended 31 December 2021. In addition, Directors attended Board strategy sessions and workshops, and special purpose Committee meetings during the year.

The number of Board and Committee meetings attended by each Director during 2021 are set out in the following table.

Table 17: Board and Committee meetings

Director(i)	Board(ii)		Audit Committee		Human Resources Committee		Nomination Committee		Safety and Sustainability Committee	
Current Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Steven Gregg	17	17	–	–	–	–	1	1	–	–
Matthew Halliday	17	17	–	–	–	–	–	–	–	–
Mark Chellew	17	16	–	–	5	5	1	1	4	4
Melinda Conrad	17	17	7	7	5	5	1	1	–	–
Michael Ihlein(iii)	17	17	7	7	1	1	1	1	3	3
Gary Smith(iv)	17	17	1	1	4	4	1	1	4	4
Elizabeth Donaghey(v)	4	4	–	–	1	1	–	–	1	1
Penny Winn	17	17	7	7	–	–	1	1	4	4
Former Directors										
Barbara Ward AM(vi)	5	5	3	3	2	2	1	1	–	–

(i) All Directors are invited to (and regularly attend) Committee meetings; this table lists attendance only where a Director is a member of the relevant Committee. A number of Directors also participated in Board Committees convened for special purposes.

(ii) Includes out of session meetings but excludes strategy workshops and briefings.

(iii) Mr Ihlein was appointed as Human Resources Committee member and ceased to be a member of the Safety and Sustainability Committee effective 18 October 2021.

(iv) Mr Smith was appointed as Audit Committee member, and ceased to be a member of the Human Resources Committee effective 18 October 2021.

(v) Ms Donaghey attended all Board and Committee meetings where she is a member of the relevant Committee from the time of appointment as Independent, Non-executive Director effective 1 September 2021.

(vi) Ms Ward AM retired from the Board as an Independent, Non-executive Director effective 13 May 2021.

Directors' Report continued
Remuneration Report continued

8. Non-executive Director remuneration continued

Shares and interests

The total number of ordinary shares on issue at 31 December 2021 was 238,302,099 shares (2020: 249,706,947 shares on issue). The total number of rights on issue at the date of this report is 1,349,590 (2020: 1,385,590). 496,350 rights were issued during 2021 (2020: 426,101). 531,616 rights vested or lapsed during the year (2020: 757,022). On vesting, Ampol is required to allocate one ordinary share for each right. For each right that vests, Ampol intends to purchase a share on market.

Directors' interests

The Directors' relevant interests in the shares of Ampol Limited at 31 December 2021 are set out in the following table.

Table 18: Directors interests

Director	Shareholding	Nature of interest
Steven Gregg	16,000 shares	Indirect interest
Matthew Halliday	64,319 shares	Direct interest
	202,125 performance rights	Direct interest
Mark Chellew	6,900 shares	Indirect interest
Melinda Conrad	8,000 shares	Indirect interest
Elizabeth Donaghey	1,600 shares	Direct Interest
Michael Ihlein	7,720 shares	Indirect interest
Gary Smith	2,150 shares	Indirect interest
Penny Winn	7,461 shares	Indirect interest
Former Directors[(i)]		
Barbara Ward AM	6,500 shares	Direct interest

(i) The shareholdings for any Former Directors are as at the date they ceased employment or retired from their office.

None of the above Directors have acquired or disposed of any relevant interests in the Company's shares in the period from 1 January 2022 to the date of this Annual Report.

Directors' Report continued
Remuneration Report continued

9. Appendix: Consideration of the government fuel security package

Following comprehensive management analysis and constructive engagement with the Government, Ampol determined to keep the Lytton refinery open to support Australia in its dual objectives of fuel security and an orderly transition to renewable energy sources.

This Appendix sets out the background and principles the Board has used, and will use in future, to assess the extent to which incentive outcomes are appropriate in light of any payments received under the Fuel Security Act 2021. These principles were also applied to the treatment of the Temporary Refinery Production Payment in 2021.

Australia's Fuel Security Package

The decision to continue operating at the Lytton refinery was confirmed by a comprehensive fuel security package (Security Package) which has been legislated in the new Fuel Security Act 2021.

The Security Package is a multi-year arrangement that helps underpin the viability of Australia's transport fuel refining industry including Ampol's Lytton refinery over the medium term, as well as supporting investment in infrastructure upgrades that will deliver the manufacture of cleaner fuels.

The Security Package has three key components:

- The potential to receive a variable Fuel Security Services Payment (FSSP) for six years up until mid-2027 (with Ampol having an option to extend for another three years). The FSSP is structured to provide a variable payment when refining margins are low, and no payment when refining margins are high, reducing volatility for refiners and ensuring payments are targeted to the times they are most needed,
- Grants for infrastructure upgrades at refineries to bring forward the introduction of better fuels from 2027 to 2024, and
- Support in the design and implementation of Minimum Stockholding Obligations (MSO) aligned with overall fuel security.

Multi-year variable Fuel Security Services Payment

The FSSP is a partnership that has been negotiated with the Australian Government, helping Australia meet the dual objectives of fuel security and energy transition. Payments under the partnership will only be received in periods of low refiner margins.

In 2021, Ampol did not receive any payments as part of the FSSP.

Temporary Refinery Production Payment

Separate to FSSP, in late 2020, the Federal Government announced that it would bring forward short-term and temporary refinery production payments to 1 January 2021. The Temporary Refinery Production Payment (TRPP) represents a minimum one cent payment for each litre of primary transport fuel (petrol, diesel, and jet fuel) from the major domestic refineries who continued operations in Australia. For 1H 2021, the TRPP effectively mirrored the long-term intentions of the FSSP.

It was only once we had completed our comprehensive Refinery Review and announced our decision to continue operations at Lytton in May 2021, that the $40m payment under the TRPP was made (representing $28m after tax).

Principles used in the consideration of the government fuel security package

Given the Security Package is a multi-year arrangement, each year the Board will assess the extent to which the incentive outcomes are appropriate in light of any payments received and will exercise discretion as appropriate. In reviewing incentive outcomes, the Board has adopted the following principles to guide its decision making. It will consider:

- **Principle 1:** Ampol's achievement towards the dual objectives of program being fuel security and energy transition as agreed with the Government.
- **Principle 2:** Management's contribution to the broader performance of the Company and Lytton refinery to ensure there is no unintended windfall gain or loss (perceived or real) arising from receiving Australian Government financial support.
- **Principle 3:** The materiality of any payment received (or otherwise) – the greater the financial payment provided by the Government, the greater need for the Board to focus on whether any judgement should be applied to adjust incentive outcomes.
- **Principle 4:** Evolving stakeholder views across the Government, employees, community, and shareholders as to impact of the Security Package.

9. Appendix: Consideration of the government fuel security package continued

2021 assessment against the principles

In 2021 the Board applied these principles and after careful consideration, determined that the $28 million received through the TRPP in 2021 will remain included in the RCOP NPAT result ($355 million) for the following reasons:

Principle 1: There are strong indicators of Ampol's achievement towards the dual objectives:

Fuel Security

- Continuation of operations at Lytton allows us to process Australian based crude, therefore acting as an independent supply line with a significantly shorter timeframe to distribute finished product when compared to the importation of product.
- Continued productive collaboration with the Australian Government on the MSO.

Energy Transition

- Commitment to spend a minimum of $100 million on future energy and decarbonisation projects by 2025. In 2021, four test and learn partnerships were implemented.
- Strong progress in our program of work to ultimately produce ultra-low sulphur fuel, which will allow for lower emissions from vehicles and wider optionality for Australian motorists as we transition to alternative transport fuel sources.

Principle 2: Management has contributed to the broader performance of the Company and Lytton refinery:

- Lytton has delivered a strong result in both volume yield and mechanical availability when comparing 2021 to historical refining periods, and to broader industry.

Principle 3: The materiality of the payment is low:

- The $28 million impact on RCOP NPAT received through the TRPP relates to a lower refining margin period in 1H 2021 and is at the low-end of the scale of the equivalent potential Australian Government support under the FSSP. Lytton delivered strong earnings in 2H 2021 and received no support through the FSSP.

Principle 4: Ampol's key stakeholders are supportive of the keeping the refinery open:

- **Government:** The Security Package was legislated with bi-partisan support. It assists with the recovery from the pandemic whilst keeping manufacturing jobs in Australia.
- **Community:** Lytton refinery is being used as a pilot plant for the production of green hydrogen and therefore supporting Australia in meeting climate change objectives.
- **Employees:** Provides continued employment to 550 manufacturing jobs and many more indirectly.
- **Shareholders:** Significantly reduces earnings volatility and downside risk while retaining full benefit to earnings upside. This negotiated arrangement enhances shareholder value, while retaining the optionality to transition the strategically located site to alternative uses in the future.

Directors' Report continued

Non-audit services

KPMG is the external auditor.

In 2021, KPMG performed non-audit services for Ampol in addition to its statutory audit and review engagements for the full year and half year.

KPMG received, or was due to receive, the following amounts for services performed for Ampol during the year ended 31 December 2021:

- for audit and review services – total fees of $2,096,000 (2020: $1,666,800);
- for assurance services – total fees of $148,500 (2020: $ 41,600); and
- for other services – total fees $17,400 (2020: $574,000).

The Board has received written advice from the Audit Committee in relation to the independence of KPMG, as external auditor, for 2021. The advice was made in accordance with a resolution of the Audit Committee.

The Directors are satisfied that:

- the provision of non-audit services to the Ampol Group during the year ended 31 December 2021 by KPMG is compatible with the general standard of independence for auditors imposed by the Corporations Act; and
- the provision of non-audit services during the year ended 31 December 2021 by KPMG did not compromise the auditor independence requirements of the Corporations Act for the following reasons:
  - the provision of non-audit services in 2021 was consistent with the Board's policy on the provision of services by the external auditor;
  - the non-audit services provided in 2021 are not considered to be in conflict with the role of external auditor and
  - the Directors are not aware of any matter relating to the provision of the non-audit services in 2021 that would impair the impartial and objective judgement of KPMG as external auditor.

Company Secretary

The following person is the current Company Secretary of Ampol as at the date of this report:

Michael Abbott

Michael Abbott was appointed to this position in February 2021. He is responsible for risk, audit, legal, secretariat and government affairs.

Prior to joining Ampol, Michael spent 15 years at Woodside Energy, holding a variety of senior roles, including Senior Vice President, Corporate and Legal, where he was responsible for multiple corporate disciplines, including government affairs, emergency management, audit, governance, as well as business climate and economic outlook. Before Woodside, Michael spent 13 years working as a private practice lawyer in Australia and Hong Kong.

Michael holds a Bachelor of Law and Arts and a Master of Business Administration from the University of Western Australia.

Indemnity and Insurance

Ampol has paid insurance premiums for Directors' and officers' liability for current and former Directors and officers of the Company, its subsidiaries and related entities.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The Constitution provides that each officer of the Company and, if the Board considers it appropriate, any officer of a subsidiary of the Company be indemnified out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or the subsidiary (as the case may be) or in or arising out of the discharge of the duties of the officer, unless incurred in circumstances that the Board resolves do not justify indemnification.

Where the Board considers it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company or a subsidiary of the Company, provided that such terms are not inconsistent with the Constitution. For more information, refer to the Constitution on the Ampol website.

Rounding of amounts

Ampol Limited is an entity to which the Australian Securities and Investments Commission Corporations Instrument 2016/191 applies. Amounts in the 2021 Directors' Report and the 2021 Financial Report have been rounded off to the nearest hundred thousand dollars (unless otherwise stated) in accordance with that instrument.

The Directors' Report is made in accordance with a resolution of the Board of Ampol Limited.

Steven Gregg

Chairman

Matthew Halliday

Managing Director & Chief Executive Officer

Sydney, 21 February 2021