

Board Charter

Introduction

At Ampol Limited (Ampol) our business and corporate operations are managed under the direction of the Board on behalf of our shareholders. The Board oversees the performance of Ampol management in seeking to deliver superior business and operational performance and long term growth in shareholder value.

The Board of Directors (Board) of Ampol is committed to high standards of corporate governance and recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives. This charter sets out a framework of key responsibilities and accountabilities of the Board and management, which recognises that the CEO is authorised to oversee our day-to-day operations while reserving specific strategic, business, operational, risk and governance matters to the Board.

This charter also sets out important matters relating to the governance of the Ampol Board, such as its composition and expectations of its Directors.

Role & Responsibilities

The Board has a number of important responsibilities and accountabilities to shareholders under the *Corporations Act 2001* (Cth), the ASX Listing Rules and Ampol's Constitution.

Ampol's business and operations are managed under the Board's direction. The Board has authorised the CEO to oversee Ampol's day-to-day business and operations, within the limits of specific authorities set out in delegations of authority approved by the Board. The CEO has, in turn, authorised sub-delegations of authority that apply to management.

In addition to the delegations of authority, the Board has reserved to itself a number of matters through this charter.

The key responsibilities of the Board include:

Culture, ethical standards and diversity

- Modelling the Ampol culture, values and commitment to safety
- Supporting management with enhancing and protecting Ampol's reputation and corporate integrity
- Approving Ampol's code of conduct and receiving an annual report from management in relation to compliance with the code
- Approving Ampol's environmental, social and governance framework including Ampol's sustainability policies
- Approving Ampol's Sustainability Report and other significant sustainability disclosures
- Approving Ampol's diversity and inclusion policy and measurable objectives for achieving diversity and inclusion across Ampol set in accordance with Ampol's diversity and inclusion policy, assessing annually those objectives and the progress against them, and monitoring the respective proportions of women and men on the Board, in senior executive positions, and across the whole organisation

Overall direction, objectives and goals, reviewing and approving strategy

- Approving, and overseeing management's implementation of Ampol's overall strategic direction and financial, operational and safety objectives and goals
- Approving Ampol's business plan and budget

- Monitoring business performance against the objectives and goals set by the Board and reviewing the implementation of Board-approved strategies

Major capital expenditure, business acquisitions and other transactions

- Approving capital expenditure, business acquisitions and other transactions outside the authorities delegated to the CEO
- Monitoring the progress of major capital projects and business acquisitions and reviewing the returns from these investments

Financial matters and reports

- Monitoring Ampol's financial performance, including the approval of the annual and half year financial statements and reports
- Approving Ampol's Annual Report
- Receiving signed declarations from the CEO and the Chief Financial Officer in relation to financial reports in accordance with the Corporations Act 2001 (Cth)
- Assessing the external auditor's independence, based on advice from the Audit Committee and taking into account matters related to services provided by the external auditor during the year
- Determining Ampol's dividend policy and the amount, nature and timing of dividends to be paid
- Approving changes to Ampol's capital structure and significant funding arrangements

Governance, legal and regulatory compliance

- Establishing appropriate standards of corporate governance and legal and regulatory compliance
- Approving policies dealing with continuous disclosure, securities trading and shareholder communication
- Approving Board committee charters
- Approving the corporate governance statement and ASX Appendix 4G

Risk management

- Approving Ampol's overall risk management framework for managing risk
- Approving Ampol's risk appetite statement, risk management policy and risk management summary
- Monitoring the adequacy, integrity and effectiveness of the critical systems and internal controls used to manage Ampol's material and emerging business risks, as implemented by management, including the identification, assessment, elimination, avoidance and control of these risks
- Receiving statements from management in relation to the effectiveness of risk management and internal control systems implemented to address material business risks
- Reviewing Ampol's risk management framework at least annually to satisfy itself that it continues to be sound and determining whether there have been any changes in material business risks
- Approving financial, tax and other material risk management policies
- Exercise "due diligence" by taking reasonable steps to ensure the business complies with both its work health and safety and environmental obligations

Human resources matters

- Approving the selection, appointment terms, remuneration, cessation of, and termination payments to, the CEO
- Setting the performance objectives for the CEO and evaluating performance against those objectives
- Approving, following recommendation from the CEO, the remuneration of the Ampol Leadership Team (ALT) and any termination payments to ALT members
- Approving changes to Ampol's remuneration system (on a whole of remuneration system basis)
- Approving Ampol's short term and long term incentive plans (with any discretionary powers to re-set approved targets or the size of a funding pool for incentive payments being specifically reserved to the Board)
- Approving the terms of any salary sacrifice share plans for Directors (subject to the requirements of the ASX Listing Rules), senior executives and Ampol staff

Health, Safety and Environment

- Consider reports on work health, safety and environment matters and the operations within Ampol associated with hazards and risks.
- Ensure and verify that Ampol has resources and processes in place to eliminate or minimise risks to health and safety, support safe workplace practices and facilitate compliance with Ampol's health, safety and environmental obligations.
- Approving Ampol's Health & Safety Policy
- Approving Ampol's Environmental Policy

Board & Directors

Board composition

The Board should review its composition each year, including the number of Directors and the mix of skills, experience, expertise and diversity on the Board.

The Board should be structured so that it:

- has a majority of independent, non-executive Directors
- has a proper understanding of, and competence to deal with, current and emerging issues for Ampol's business and operations
- effectively reviews and challenges management and encourages superior business and operational performance
- exercises independent judgement in decision making
- brings together Directors with a variety of perspectives and talents, taking into account diversity including gender, age, ethnicity and cultural background

The Board should consider the succession of Non-Executive Directors, including the Chairman, to ensure that an appropriate mix of skills, experience, expertise and diversity is maintained on the Board and develop strategies to address these matters over time.

Skills and competencies of Directors and the Board

Directors should bring a variety of perspectives, skills and experience to the Board and, in particular:

- Non-Executive Directors should be able to read and understand financial statements
- at least one Non-Executive Director should have accounting or related financial management qualifications and experience
- at least one Non-Executive Director should have a detailed knowledge and understanding of the industries in which Ampol operates, bringing a depth of experience across operational, strategic and business issues for matters that come to the Board

The Board reviews the skills and experience required for Directors and the Board on an ongoing basis.

Board performance

The Board should review its own performance, the performance of its standing committees, and the performance of individual Directors every two to three years. The Board may engage an external consultant to facilitate this review.

Appointment, election and re-election of Non-Executive Directors

The Board is responsible for the selection and appointment of Non-Executive Directors, either to fill a casual vacancy or as an addition to the Board and for recommending the election and re-election of Non-Executive Directors to shareholders.

Director independence

The Board recognises that it is in the best interests of shareholders for the Board to have a strong representation of non-executive, independent Directors.

The Board expects all Directors, whether independent or not, to bring independent judgement to Board decisions.

Independent Directors are those who are independent of management and free of any interest, position, association or relationship that could (or could reasonably be perceived to) materially interfere with the independent exercise of a Director's judgement.

Determination of independence

To assist the Board in making a determination, each Director must provide all information that may be relevant to the Board's assessment annually, when appointed and on an ongoing basis in accordance with this Charter.

Directors must disclose interests and conflicts to the Board. When a new interest or conflict is disclosed, or there has been a change in an interest, the Board will determine if that interest or conflict may affect the independence of the Director in accordance with this Charter.

Board and Committee composition

The Board reviews its composition each year, including the number of independent Directors, the mix of skills and experience of the Board, and determines the number of Directors in office in accordance with the Ampol Constitution.

The Board's policy on composition is that:

- the Chairman of the Board is an independent, Non-Executive Director; and
- a majority of the Board are independent, Non-Executive Directors.

In addition, the Board's policy relating to composition of its Committees is that:

- the Chairman and all members of the Audit Committee are independent, Non-Executive Directors;
- the Chairman and a majority of members of the Human Resources Committee are independent, Non-Executive Directors;
- the Chairman and all of the members of the Nomination Committee are independent Directors; and
- the Chairman and a majority of members of the Safety & Sustainability Committee are independent, Non-Executive Directors.

Independence criteria

The Board has determined that, as a general rule, a Non-Executive Director will be considered to be independent if the Director:

- has not been employed in an executive capacity by Ampol or any Ampol group entity in the last three years;
- has not been a professional adviser or consultant that has had a material business relationship with Ampol in the last three years;
- has not had a significant relationship (as a substantial shareholder, partner, principal, Director, officer, senior executive, or employee significantly associated with the service provided to Ampol) with a professional adviser or consultant that has had a material business relationship with Ampol in the last three years;
- has not been a supplier or customer that has had a material business relationship with Ampol;
- has not had a significant relationship (as a substantial shareholder, partner, principal, Director, officer, senior executive, or employee significantly associated with the goods or services provided to or by Ampol) with a supplier or customer that has had a material business relationship with Ampol in the last three years;
- is not a substantial security holder of Ampol;
- is not an officer of, or otherwise directly associated with, a substantial security holder of Ampol;
- has not been a partner, principal or Director of Ampol's external auditor in the last five years;
- has not had significant direct or indirect involvement in the external audit of Ampol in the last five years;

- has no material contractual relationship (directly or indirectly) with Ampol or any Ampol group entity that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of shareholders;
- has not served on the Board for a period that could materially interfere with the Director's ability to act in the best interests of Ampol; and
- is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of shareholders.

Material business relationship

A professional adviser, consultant, supplier or customer will be considered to have a material business relationship with Ampol if:

- from the perspective of the Director, the business relationship is significant (directly or indirectly) to their own circumstances; or
- from Ampol's perspective, the business relationship generates revenue or expenses (to Ampol) of 5% or more of Ampol's total revenues or expenses, as applicable.

Board determination of independence

The Board may consider that a Director is independent even though the Director does not meet one or more of the criteria. In these circumstances, the Board will take into account:

- the nature and extent of the interest or relationship;
- the type of transactions that are normally entered into between Ampol and the other party, the nature of the transactions and whether the Director has been personally involved in negotiating the terms and conditions of any of the transactions; and
- any other matters the Board considers relevant to its assessment.

If the Board makes a determination that a Director is independent, the Board will disclose its reasons for its assessment and the interest or relationships of the Director

Independent advice and access to senior management

Directors may obtain independent professional advice at Ampol's expense.

Remuneration of Non-Executive Directors

The Board reviews the remuneration of Non-Executive Directors (in relation to the amount and nature of Board and committee remuneration) annually. Fees for Non-Executive Directors are set at a level to attract and retain Non-Executive 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. When setting Non-Executive Director fees, the Board considers factors such as external market data on fees and the size and complexity of Ampol's operations.

Board Meetings

Number of meetings

The Board should meet at regularly scheduled intervals throughout the course of each year. Additional Board meetings may be convened as and when required.

The Board also meet to discuss strategy throughout the year.

Meetings in the absence of management

The Non-Executive Directors should meet on a regular basis in the absence of Ampol management.

Ampol values moment

Each Board and Committee meeting should include an Ampol values moment presented by management. The Ampol values moment should demonstrate Ampol's commitment to our values and behaviours.

Company secretary

The Company Secretary of Ampol serves as the Company Secretary of the Board. All Directors shall have direct access to the Company Secretary.

Board Committees

The Board has established the following standing Committees:

- Audit Committee;
- Human Resources Committee;
- Nomination Committee; and
- Safety and Sustainability Committee,

The role of each Committee is outlined in its charter. Committee charters are available on the Ampol website.

From time to time, the Board also establishes special purpose committees to assist it in performing its role in respect of particular projects or governance matters. The Board has established a standing Disclosure Committee.

A Director may attend any meeting of a committee in an ex-officio capacity.

All Directors receive committee papers and are invited and encouraged to attend meetings of committees of which they are not members.

Board Chairman

The Board Chairman is elected by the Board on the basis of relevant experience, skills and leadership abilities. The Board Chairman must be an independent, Non-Executive Director.

The role of the Board Chairman is to:

- facilitate the work of the Board
- oversee the provision of appropriate information to the Board
- approve the agenda for each meeting in consultation with the CEO and the Company Secretary
- manage Board activities so that they are carried out efficiently and effectively create a culture which encourages Directors to contribute in an open and constructive manner

Management's Reporting to the Board

The Board should review the quality and timeliness of management's reporting to the Board on an ongoing basis.

Review of Charter

The Board will review this charter at least every two (2) years. The charter was last reviewed and approved by the Board on 22 February 2019.

Publication

This charter will be made available from the Ampol website (www.ampol.com.au).

Document change history

Version number	Conducted by	Approved by	Date	Description of changes
1		Board	22/02/2019	
2	Secretariat	Board	14/05/2020	Update references from Caltex to Ampol