



**HUMAN RESOURCES COMMITTEE
CALTEX AUSTRALIA LIMITED
ACN 004 201 307**

BOARD APPROVED – 1 DECEMBER 2010

COMMITTEE CHARTER

INTRODUCTION

1. The Human Resources Committee (Committee) is established as a committee of the Board of Caltex Australia Limited on the terms set out in this charter and in accordance with the Board's charter and the company's Constitution.

ROLE OF THE COMMITTEE

2. The Committee assists the Board in relation to Caltex's remuneration framework, the performance of the Managing Director & CEO, and the remuneration and gender diversity disclosures to be made in the annual report to shareholders. The Committee also assists the Board in reviewing diversity strategies and practices across the Caltex Australia Group.
3. The Committee undertakes functions delegated by the Board, including approving Caltex's annual remuneration program and aspects of its incentive schemes.
4. The Committee seeks to put in place appropriate remuneration arrangements and practices that are clear and understandable, in the best interests of Caltex and support superior performance and long term growth in shareholder value.

RESPONSIBILITIES OF THE COMMITTEE

Advisory role

5. The Committee should undertake the following functions and, as appropriate, advise or make recommendations to the Board:

Remuneration – non-executive directors

- 5.1 Review the remuneration framework for non-executive directors (including the amount and structure of Board and Committee remuneration)
- 5.2 Review the total remuneration pool available to non-executive directors (as approved by shareholders)

Remuneration – Managing Director & CEO

- 5.3 Review the total remuneration package of the Managing Director & CEO

Remuneration – Caltex Leadership Team

- 5.4 Review, together with the Managing Director & CEO, the remuneration of members of the Caltex Leadership Team (CLT), including any new appointment to a CLT position

Remuneration – generally

- 5.5 Review Caltex's remuneration system, including superannuation and performance assessment processes



- 5.6 Review Caltex's remuneration by gender
- 5.7 Review Caltex's short term and long term incentive schemes
- 5.8 Review, if applicable, proposed adjustments to approved targets or the size of the funding pool for incentive payments
- 5.9 Consider significant governance, regulatory and industry issues with the potential to affect remuneration matters at Caltex

Performance of the Managing Director & CEO

- 5.10 Review the performance of the Managing Director & CEO against performance measures approved by the Board

Succession planning

- 5.11 Review succession planning for the Managing Director & CEO
- 5.12 Review, with the Managing Director & CEO, succession planning for CLT positions

Diversity

- 5.13 Review Caltex's diversity policy and diversity strategies and practices across the Caltex Australia Group, and their effectiveness
- 5.14 Review annually the measurable objectives for achieving gender diversity set in accordance with Caltex's diversity policy and the progress towards achieving them
- 5.15 Review annually the relative proportion of women and men at all levels across the Caltex Australia Group

Remuneration and gender diversity disclosures

- 5.16 Review the remuneration disclosures to be included in the annual directors' report (for the full year) prior to consideration by the Audit Committee and the Board
- 5.17 Review disclosures to be made in the annual report (for the full year), prior to consideration by the Board, in relation to both the measurable objectives set by the Board for gender diversity and progress towards achieving these objectives, and also the proportion of women across the Caltex Australia Group, including women in executive positions and women on the Board

Delegated authority

- 6. The Committee has delegated authority to undertake the following functions:

Annual Caltex employee salary program

- 6.1 Approve the annual Caltex employee salary program

Incentive schemes

- 6.2 Approve matters relating to the operation of Caltex's short term and long term incentive schemes (including the rules of each plan, relevant administrative provisions, eligibility parameters, participants and targets)



- 6.3 Exercise the functions of the Board under the incentive schemes referred to in paragraph 6.2

Share plans

- 6.4 Act as the Plan Committee under the Caltex Australia Limited Employee Share Plan (CALESP) and the Non-executive Director Share Plan (NED Share Plan)
- 6.5 Approve matters relating to the operation of the CALESP and the NED Share Plan in accordance with the rules of each plan

Service agreement for senior executives

- 6.6 Approve the standard service agreement for senior executive positions, including termination policies, and any specific retention arrangements applying to those in executive roles

MEMBERSHIP & ATTENDANCE

7. The Committee should comprise three non-executive directors appointed by the Board, a majority of whom must be independent. An executive director cannot be appointed as a member of the Committee
8. The appointment of the Committee Chairman is a matter for the Board. The Committee Chairman must be an independent director.
9. The Managing Director & CEO, General Manager – Human Resources and other members of the senior management team as requested by the Chairman, should attend all Committee meetings. The Committee Chairman may invite external parties (as appropriate) to attend all or part of a meeting. Members of management are not present during discussions or decisions in relation to their own remuneration.

MEETINGS

Quorum

10. The quorum for a Committee meeting is **two** Committee members.

Number of meetings

11. The Committee will meet as required but should meet **at least four times** a year.

Committee agendas and program

12. The Chairman will approve the agenda for each committee meeting.
13. The Committee Secretary, in consultation with the General Manager – Human Resources, will develop a program of items of business to be considered by the Committee during the next year. The program should be provided to the Committee for its last meeting of the year.

COMMITTEE SECRETARY

14. The Assistant Company Secretary will serve as the Committee Secretary. If this person is unable to attend a Committee meeting, an appropriate member of the Caltex Secretariat will attend the meeting in the capacity of Committee Secretary.



ACCESS TO INFORMATION & ADVISERS

15. The Committee is authorised to require management to provide any information the Committee requires to discharge its responsibilities.
16. The Committee and Committee members have direct access to Caltex's senior management and advisers (both external and internal).
17. The Committee is authorised to obtain external professional advice if it considers this is necessary.

REVIEW OF COMMITTEE PERFORMANCE

18. The Committee should review its own performance, paying particular attention to the extent to which its responsibilities in its charter have been met.

REVIEW OF CHARTER

19. The Committee should review its charter each year and recommend to the Board any changes considered appropriate.

PUBLICATION

20. This charter will be made available from the Caltex website (www.caltex.com.au).