



CALTEX

**CALTEX AUSTRALIA LIMITED**  
**ACN 004 201 307**

**BOARD APPROVED – 1 NOVEMBER 2010**

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**CALTEX SHARE TRADING POLICY**

**INTRODUCTION**

1. Directors, officers and staff of a listed entity may have inside information about the entity that is not generally available to the market. The *Corporations Act* requires (in general terms) that a person who has inside information must not trade in the securities of that entity, either personally or through another person (such as a family member, friend, associate, broker, investment adviser, private company or trust).
2. This policy sets out clear restrictions in relation to dealings in the securities of Caltex Australia Limited (CAL) so that Designated Caltex Officers and other Caltex staff do not trade in CAL securities in a way that breaches the insider trading laws or compromises confidence in Caltex's investor practices.
3. Every Caltex officer and staff member has a personal responsibility to ensure they comply with the law and this policy. A breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual. A breach of this policy may lead to disciplinary action, which may include termination of employment.
4. This policy should be read together with the *Caltex Continuous Disclosure Policy*, which provides examples of the types of information that might have a material effect on the price or value of CAL securities.

**APPLICATION OF THIS POLICY & DEFINITIONS**

**Application**

5. This policy applies to each person who is a Designated Caltex Officer and to all other staff of CAL and the Caltex group of companies.
6. The following people are **Designated Caltex Officers** for the purposes of this policy:
  - 6.1 the non-executive directors of CAL (including alternate directors);
  - 6.2 the Managing Director & CEO;
  - 6.3 all members of the Caltex Leadership Team (including the Company Secretary), as other key management personnel;
  - 6.4 the Assistant Company Secretary;
  - 6.5 the Manager – Investor Relations; and
  - 6.6 participants in the Caltex Equity Incentive Plan (CEIP).



## Definitions

7. For the purposes of this policy:
- 7.1 “CAL securities” includes ordinary shares of CAL and any structured financial product, swap, futures contract, option, warrant, or other derivative over an ordinary share of CAL, whether issued by CAL or a third party, and any other interest in an ordinary share of CAL;
  - 7.2 “inside information” means information that is not generally available and which a reasonable person would expect, if it was generally available, to have a material effect on the price or value of a company’s securities; inside information may come from the entity itself or someone other than the entity; and
  - 7.3 “trade” includes subscribing for, buying, selling or otherwise transferring the beneficial or legal interest in a CAL security.

## TRADING IN CAL SECURITIES

### Insider trading

8. A Designated Caltex Officer or Caltex staff member who has inside information must not:
- 8.1 trade in CAL securities;
  - 8.2 advise, procure or encourage another person to trade in CAL securities; or
  - 8.3 pass on information to any other person if they know, or ought reasonably to know, that the person may use the information to trade in (or procure another person to trade in) CAL securities.

### **Black-out periods / trading at other times (subject to insider trading laws)**

9. In addition to the requirements of the insider trading laws, Designated Caltex Officers must not trade in CAL securities in the following **black-out periods**:
- 9.1 for Caltex’s **half year** results (which are released in August): from 1 July to (and including) the day of the announcement;
  - 9.2 for Caltex’s **full year** results (which are released in February): from 1 January to (and including) the day of the announcement; and
  - 9.3 for any other period designated as a black-out period by the Board and advised to the Designated Caltex Officers.
10. At any time other than a black-out period, a Designated Caltex Officer may trade in CAL securities **but only** if they do not have inside information.
11. All other Caltex staff may trade in CAL securities at any time **but only** if they do not have inside information.
12. The provisions of any incentive or share scheme in which a Designated Caltex Officer or other Caltex staff member participates may also impose holding or trading restrictions on CAL securities.



## **NOTICE OF TRADING IN CAL SECURITIES**

### ***Directors***

13. If a director intends to trade in CAL securities, the director must give prior notice of any proposed trade to the Board Chairman. If the Board Chairman intends to trade in CAL securities, prior notice must be given to the Audit Committee Chairman. A notice must include a statement that the director does not have inside information.
14. For each trade in CAL securities, the director must subsequently advise the Board Chairman (or, in the case of the Board Chairman, the Audit Committee Chairman) of the number of CAL securities bought or sold and the date of the trade within three days.
15. Directors have also agreed to give details of transactions in CAL securities to the Company Secretary within three business days for the purpose of CAL providing information about a change of a director's interest to the market.

### ***Other Designated Caltex Officers***

16. If any Designated Caltex Officer other than a director intends to trade in CAL securities, the Designated Caltex Officer must give prior notice to the Managing Director & CEO. The notice must include a statement that the Designated Caltex Officer does not have inside information.
17. For each trade in CAL securities, the Designated Caltex Officer must subsequently advise the Company Secretary of the number of CAL securities bought or sold and the date of the trade within three days.

### ***Notification process is not an approval to trade***

18. The processes for notifying of an intended trade in CAL securities, as set out in clauses 13 and 16, do not provide for the Chairman, Audit Committee Chairman or Managing Director & CEO (as applicable) to approve the proposed trade. The person intending to trade in CAL securities is personally responsible for any decision to trade and compliance with the law.

## **DISCLOSURE OF MARGIN LOAN ARRANGEMENTS**

19. If a Designated Caltex Officer proposes to put in place margin loan arrangements in relation to CAL securities, the Designated Caltex Officer must immediately advise the Company Secretary of the details of the proposed arrangements. If a demand for payment is made under the margin loan arrangements, the officer must immediately advise the Company Secretary. The Designated Caltex Officer may only trade their CAL securities in accordance with this policy, subject always to the insider trading laws.

## **HEDGING OF CAL SECURITIES**

20. A Designated Caltex Officer who holds unvested or vested CAL securities under an incentive scheme (including, but not limited to, securities held under the CEIP) must not enter into any transaction that is designed or intended to limit their exposure to those securities.



## **TRADING EXCLUDED FROM THE POLICY**

### ***Incentive schemes and share plans***

21. It is recognised that directors may be eligible to participate in CAL's non-executive directors' share plan (NED Share Plan), that Designated Caltex Officers (other than the directors) may be eligible to participate in short term and long term incentive schemes (such as the CEIP) or the CAL employee share plan (CALESP), and that Caltex staff may be eligible to participate in the CALESP.
22. In these cases, CAL securities are purchased on market by the trustee on behalf of directors in accordance with the terms of the NED Share Plan, on behalf of Designated Caltex Officers in accordance with the terms of the CEIP or the CALESP, and on behalf of Caltex staff in accordance with the terms of the CALESP. The securities are purchased on dates determined in accordance with the terms of each offer.
23. The restrictions on trading in this policy do not apply to the acceptance of offers made by CAL or the purchase of CAL securities by the trustee under:
  - 23.1 the NED Share Plan on behalf of directors;
  - 23.2 the CEIP or CALESP on behalf of Designated Caltex Officers,; and
  - 23.3 the CALESP on behalf of Caltex staff,although, wherever possible, any offers in relation to, or purchases of, CAL Securities should occur outside of a black-out period.
24. CAL securities held by a Designated Caltex Officer upon vesting (of unvested securities) may only be traded in accordance with this policy and the terms of the applicable share plan, subject always to the insider trading laws.

### ***Corporate and other actions***

25. The following trading in CAL securities is excluded from the operation of this policy (but continues to be subject to the requirements of the insider trading laws):
  - 25.1 an undertaking to accept, or the acceptance of, a takeover offer;
  - 25.2 trading under an offer or invitation made to all or most of the security holders in CAL, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal buy-back plan, where the timing and structure of the offer has been approved by the CAL Board; and
  - 25.3 transfers of CAL securities where there is no change in the person's underlying beneficial interest in the shares.

## **EXCEPTIONAL CIRCUMSTANCES**

26. It is recognised that a Designated Caltex Officer may need to trade in CAL securities during a black-out period in exceptional circumstances.
27. CAL securities may be traded by a Designated Caltex Officer due to exceptional circumstances during a black-out period if:
  - 27.1 the circumstances relate to severe financial hardship or other exceptional personal circumstances (as set out in clause 28) or the proposed transfer is required to give effect to a court order, court enforceable undertaking or other legal or regulatory requirement;



- 27.2 the person does not have inside information; and
- 27.3 prior permission to the proposed trade during a black-out period is given in accordance with *clauses 29 and 30* of this policy.
28. A Designated Caltex Officer will be taken for the purposes of this policy to:
- 28.1 be in **severe financial hardship** if, in the opinion of the person authorised to permit the proposed trade under clause 29, the officer has a pressing financial commitment and the proposed sale or disposal of their CAL securities is the only reasonable course of action to overcome these circumstances; and
- 28.2 be subject to **other exceptional personal circumstances** if, in the opinion of the person authorised to permit the proposed trade under clause 29, the officer's circumstances are truly exceptional and the proposed sale or disposal of their CAL securities is the only reasonable course of action to overcome these circumstances.
29. A Designated Caltex Officer who proposes to trade CAL securities in exceptional circumstances must seek (and obtain) the prior permission of:
- 29.1 in the case of directors, the Board Chairman;
- 29.2 in the case of the Board Chairman, the Audit Committee Chairman; or
- 29.3 in the case of all other Designated Caltex Officers, the Managing Director & CEO.
30. Permission to trade during a black-out period must be sought no less than five business days before the proposed trade. The notice must set out the number of CAL securities to be traded, the proposed date(s) for the trade(s), the exceptional circumstances involved and a statement confirming that the Designated Caltex Officer does not have inside information. The notice must be given in writing (which includes by email).
31. The Designated Caltex Officer must not trade the CAL securities unless and until receiving permission for the proposed trade. A decision to permit (or not permit) the proposed trade is at the sole discretion of the Board Chairman, the Audit Committee Chairman or the Managing Director & CEO (as the case may be) taking into account the person's circumstances and the purpose of the ASX Listing Rules. Where permission is given, the notification must set out the period in which the securities can be traded and be advised in writing (which includes email).
32. Where a person has traded CAL securities in accordance with clauses 27 to 31, he or she must give details of the trade to the Company Secretary within three days of the trade.
33. Permission to trade CAL securities in exceptional circumstances, as set out in clause 27 to 31, is an exemption from the operation of this policy during a black-out period and is not an approval for the trade. The person intending to trade in CAL securities is personally responsible for any decision to trade and compliance with the law.

### **POLICY BREACHES**

34. Any breach of this policy must be immediately advised to the Company Secretary, who, in turn, will report the breach to the Board.
35. A breach of this policy may lead to disciplinary action, which may include termination of employment in serious cases.



36. Additionally, a breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual.

#### **ANNUAL STATEMENT OF COMPLIANCE BY DESIGNATED CALTEX OFFICERS**

37. A Designated Caltex Officer must provide a certificate to the Company Secretary following the end of each year in which the officer confirms compliance with this policy (or advises of any breaches of the policy).

#### **TRADING IN SECURITIES OF OTHER ENTITIES**

38. Designated Caltex Officers and Caltex staff should ensure that they do not breach the insider trading provisions of the *Corporations Act* in relation to any other entity.

#### **REVIEW OF POLICY**

39. The Board should review this policy each year.

#### **PUBLICATION**

40. This policy will be made available from the Caltex website ([www.caltex.com.au](http://www.caltex.com.au)) and lodged with the Australian Securities Exchange in accordance with the ASX Listing Rules.