

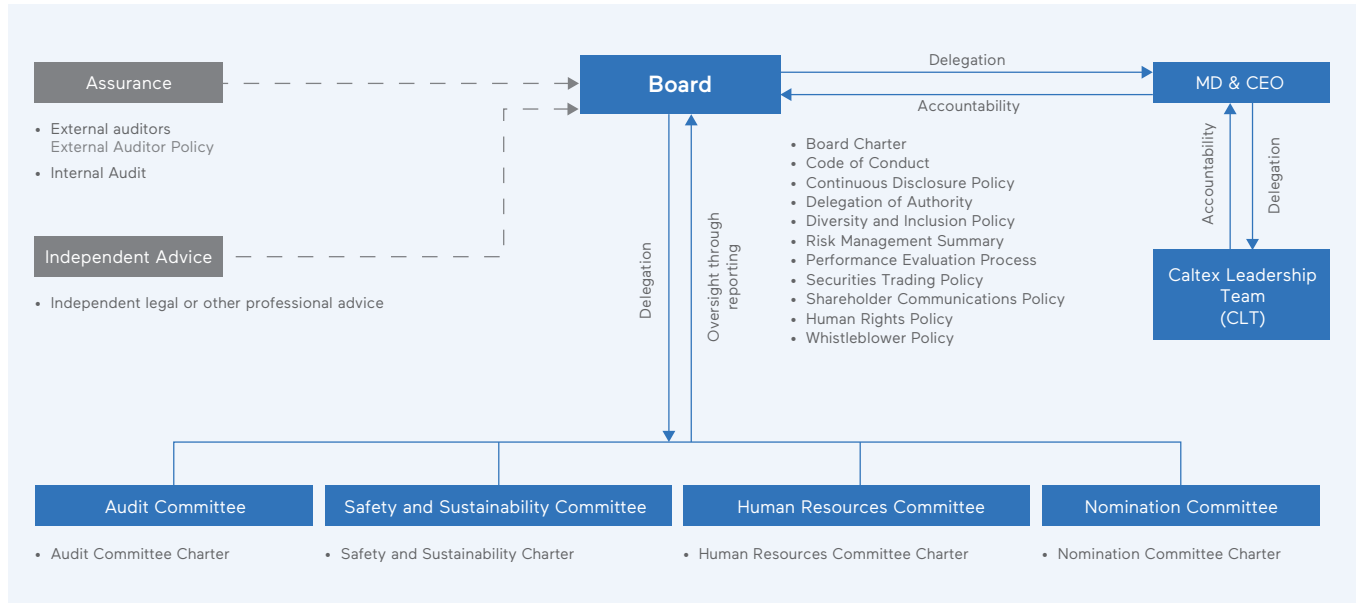
Corporate Governance Statement

AS AT 26 MARCH 2019

Introduction

The Board of Directors (Board) of Caltex Australia Limited (Caltex or the Company) is committed to high standards of corporate governance.

This Corporate Governance Statement (Statement), which has been approved by the Board, summarises Caltex's corporate governance practices including compliance with the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles) for the period from 1 January 2018 to 26 March 2019. As at the date of this Statement, Caltex has complied with all of the ASX Principles.



The diagram above shows Caltex's current governance framework, including the current Committees of the Board.

The Board

Role and Responsibilities

The Board directs and oversees the performance of Caltex management in seeking to deliver superior business and operational performance and growth in shareholder value.

The Board has delegated responsibility for managing Caltex's day-to-day business and operations to the Managing Director & CEO (MD & CEO) within the limits set out in delegations of authority (DOA) approved by the Board. The MD & CEO has in turn delegated authority for certain matters to management.

The Board Charter sets out matters expressly reserved to the Board. The responsibilities and accountabilities of the Board were amended during the year by updating the Board Charter.

The Board Charter is available on the Corporate Governance page of the Caltex website.

Board Composition and Independence

There are eight Directors on the Caltex Board, comprising seven independent, Non-executive Directors and the MD & CEO. The Chairman is an independent, Non-executive Director.

Details of each Director's date of appointment and tenure are set out in the table below:

		Date of Appointment	Tenure as at 26 March 2019
Steven Gregg (Chairman)	Independent, Non-Executive Director	9-Oct-15	3 years, 5 months
Julian Segal	Managing Director & CEO	1-Jul-09	9 years, 8 months
Trevor Bourne	Independent, Non-Executive Director	2-Mar-06	13 years
Mark Chellew	Independent, Non-Executive Director	2-Apr-18	1 year
Melinda Conrad	Independent, Non-Executive Director	1-Mar-17	2 years
Bruce Morgan	Independent, Non-Executive Director	29-Jun-13	5 years, 8 months
Barbara Ward AM	Independent, Non-Executive Director	1-Apr-15	3 years, 11 months
Penny Winn	Independent, Non-Executive Director	1-Nov-15	3 years, 4 months

The criteria applied by the Caltex Board in determining whether a Director should be considered independent are set out in the Board Charter.

Corporate Governance Statement

AS AT 26 MARCH 2019

Access to Independent Advice

Caltex Directors have access to independent professional advice at Caltex's expense.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with governance and the proper functioning of the Board.

Election And Re-Election Of Directors

All newly appointed Non-executive Directors are subject to appropriate checks before being appointed. Newly appointed Non-executive Directors hold office until the end of the next Annual General Meeting and are eligible for election by shareholders at the meeting. The MD & CEO is appointed by the Board and is not subject to election by shareholders.

The Board's recommendations are disclosed in the Notice of Meeting made available to shareholders, together with biographical information for each Non-Executive Director standing for election or re-election. The Notice of Meeting also includes relevant material information disclosed to or identified by Caltex to facilitate the making of an informed decision on whether or not to elect or re-elect a Director.

An appointment letter is provided to each Director which sets out the terms of their appointment.

Induction And Training

All new Non-executive Directors are invited to participate in an induction program to assist with familiarising them with Caltex's business, strategy and operations, performance, risks, governance and external environment. The induction program is tailored to each Director's experience and circumstances and includes briefings, site visits and relevant training. New Non-executive Directors receive induction materials.

Non-executive Directors are encouraged to attend director training and professional development courses, as required.

Performance Evaluation

A formal Board evaluation process is carried out every two to three years and is facilitated by an external consultant who conducts one-on-one interviews with Directors and key executives and prepares a report which is discussed with the whole Board. The Chairman also discusses the report with individual Directors and key executives.

A Board performance evaluation was conducted in 2018.

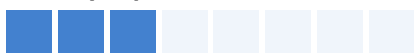
Directors' Skills And Diversity

The Board reviews its composition annually, including the mix of skills, experience, expertise and diversity of Directors and the Board, to ensure it is able to effectively discharge its obligations.

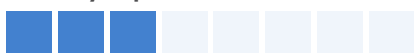
Details of the skills, experience, expertise and Committee membership of each Director is contained in their biographies which are in the Annual Report and on our website.

The current board skills matrix is set out below:

Industry experience - industrial



Industry experience - retail/marketing



Strategy / M&A



Financial acumen



Executive leadership



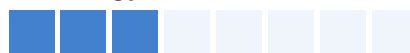
International experience



Risk management



Technology and new media



Large Capital Projects



Public Policy / Regulatory



Governance and Board



Health, Safety, Environment & Sustainability



Remuneration



Corporate Governance Statement

AS AT 26 MARCH 2019

Board Committees

The Board has established four standing committees (Committees). Each Committee has a Charter, comprises a majority of independent, Non-executive directors and each Committee is chaired by an independent, Non-executive Director.

CALTEX BOARD & COMMITTEE COMPOSITION



The Chairman of the Board attends Committee meetings in an ex-officio capacity. All Directors receive Committee papers and are invited to attend meetings of Committees of which they are not members.

For details of Committee membership and the number of times the Board and Committee met throughout the financial year and the individual attendances of Directors at those meetings, refer to Caltex's Annual Report which is available on our website.

Caltex does not have a separate Risk Committee. Oversight of Caltex's Risk Management Framework is the responsibility of the Board with each standing Committee delegated oversight of specific risks.

Caltex does not have a separate Remuneration Committee. Oversight of remuneration and compensation matters is divided between the Board, Human Resources and Nomination Committees.

The roles, responsibilities and accountabilities of the Committees were amended during the year by updating the Committee Charters.

Each Committee Charter is available on our website.

Risk Management

Risk Management Framework

The Board reviews Caltex's Risk Management Framework (CRMF) at least annually to satisfy itself that it continues to be sound.

An independent review of the CRMF was conducted in 2018. The Board is satisfied that the CRMF, with the implementation of the improvement opportunities identified from the Independent review, will be a sound framework and will support the delivery of Caltex's strategic objectives into the future.

Caltex's Risk Management Summary outlines how Caltex currently oversees and manages risk, including the Risk Management Framework and the roles and responsibilities of the Board, its Committees, senior executives and employees.

Caltex's Risk Management Summary is available on our website.

Internal audit

Caltex has a dedicated internal audit function which provides an independent and objective assessment to the Board and management regarding the adequacy, effectiveness and efficiency of our risk management, control and governance processes.

Internal audit conducts audits in accordance with audit plans approved by the Audit Committee (for financial risks) and the Safety and Sustainability Committee (for health, safety, environment and sustainability risks) and provides regular reports to those Committees and to senior management.

The Head of Internal Audit reports to the Executive General Manager, People, Communications and Governance and also has a reporting line to the Chairman of each of the Audit and Safety and Sustainability Committees and meets with them regularly. In addition, the Audit Committee and the Safety and Sustainability Committee meet privately with the Head of Internal Audit.

Corporate Governance Statement

AS AT 26 MARCH 2019

Economic, Environmental and Social Sustainability Risks

Maintaining safe, reliable and sustainable operations is at the core of our business. By embedding sustainability into our business, we better understand and manage the risks to our long-term success and focus on areas that generate value for our shareholders, customers, employees and the community.

Caltex considers economic, environmental and social sustainability risks and opportunities and how they may impact our business and stakeholders in accordance with Caltex's Environmental, Social and Governance (ESG) Framework. Our Safety and Sustainability Committee has oversight of material ESG risks. We are committed to communicating openly and transparently through annual sustainability reporting with our inaugural report being published this year.

More information about our sustainability risks, our approach to managing them and our performance is available in our 2018 Sustainability Report, which is available on our website.

Non-executive Director Remuneration

Non-executive Director fees are reviewed by the Human Resources Committee, taking into account recommendations from an independent remuneration consultant and changes are approved by the Board.

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. The Board seeks to attract Non-executive Directors with the skills, experience and abilities to enable it to effectively oversee and challenge the performance of management.

Remuneration for Non-executive Directors is fixed and is subject to a remuneration pool of \$2,500,000, which was approved by shareholders in 2016. Non-executive Directors receive statutory superannuation. Directors may salary sacrifice fees to superannuation but do not participate in any incentive plans or receive any performance-based remuneration. Superannuation is not paid for overseas Directors and there is no retirement benefits scheme for Non-executive Directors.

Non-executive Directors are required to build and maintain a holding in Caltex shares to align their interests with those of shareholders. Each Non-executive Director is required to hold an interest in shares in Caltex with a market value not less than the Board base fee, within three years of appointment to the Board.

All Non-executive Directors comply with the minimum shareholding requirement.

Non-executive Directors' fees and shareholdings are disclosed in the Remuneration Report, contained in Caltex's Annual Report, which is available on our website.

Senior Executives

Senior executives enter into a service agreement (contract of employment) upon their appointment. The material terms of key management personnel service agreements are set out in the Remuneration Report contained in Caltex's Annual Report which is available on our website. The standard service agreement is reviewed periodically to ensure it remains appropriate and in line with contemporary human resources practice.

Evaluation of the performance of both the MD & CEO and the Caltex Leadership Team (CLT) is undertaken by reference to a performance evaluation process.

The Board sets annual performance objectives for the MD & CEO. The performance of the MD & CEO has been assessed for the year ended 31 December 2018.

The MD & CEO annually reviews the performance of the CLT and reports to the Human Resources Committee on their performance. The performance of the CLT has been assessed for the year ended 31 December 2018.

For more information refer to the Remuneration Report, contained in Caltex's Annual Report, which is available on our website.

Hedging, Margin Lending and Trading by Connected Persons

Caltex's Securities Trading Policy prohibits designated Caltex Personnel entering into any arrangements that would have the effect of limiting their risk exposure relating to Caltex securities, including vested Caltex securities or unvested entitlements to Caltex securities under Caltex employee incentive schemes. Designated Caltex Personnel must not enter into any margin lending arrangements in respect of Caltex securities.

Designated Caltex Personnel must take reasonable steps, including notifying their connected persons of closed periods, to prevent any closely connected persons from trading in Caltex securities in any way that is prohibited under this Policy.

Caltex's Securities Trading Policy is available on our website.

Diversity and Inclusion

At Caltex, we embrace a strong belief in the advantages of a diverse and inclusive workplace in which individuals of varied backgrounds and perspectives are welcomed, encouraged and given the opportunity to contribute to their full potential.

Our commitment to diversity and inclusion forms part of a merit-based organisational culture. We seek to create a work environment where people are included and free to achieve their best, without encountering prejudice. We will not tolerate any form of unlawful discrimination, harassment or victimisation of an employee.

The Board, having regard to the deliberations of the Human Resources Committee, sets measurable objectives relating to diversity and inclusion. These objectives, and our progress in achieving them is assessed annually. The requirement to set measurable objectives for achieving diversity and for them to be assessed is set out in the Diversity and Inclusion Policy.

Caltex's Diversity and Inclusion Policy is available on our website.

Corporate Governance Statement

AS AT 26 MARCH 2019

Diversity & Inclusion Disclosures

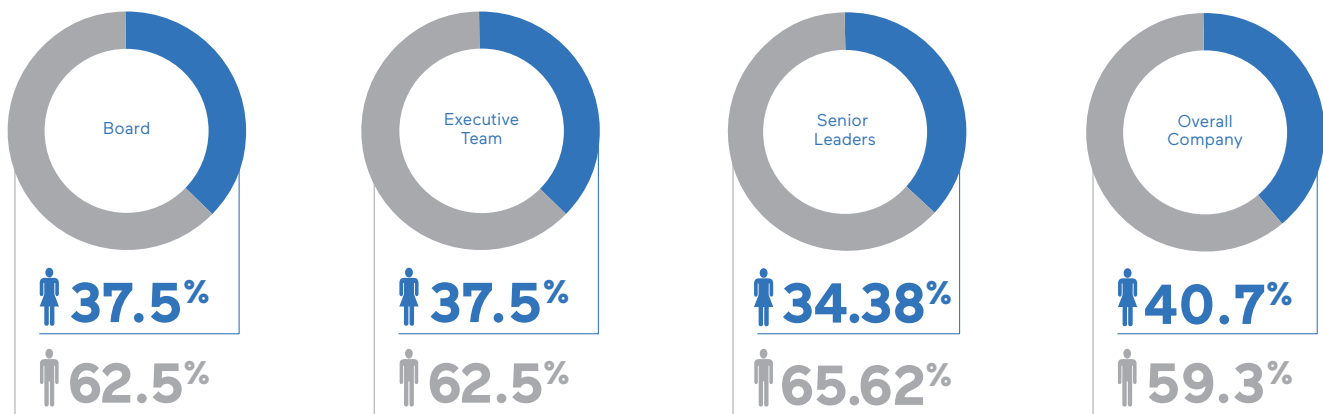
At Caltex, we are committed to creating an organisational culture that motivates and supports our people to deliver their personal best. We value the advantages of a diverse and inclusive workplace in which individuals from varied backgrounds and perspectives are given the opportunity to contribute to their full potential. We recognise that this delivers high performing individuals who are committed to Caltex, which in turns plays a key role in supporting the long-term success of our business.

Gender Equality

Reflecting our commitment to diversity and inclusion and our best practice programs to promote gender equality, in 2018 Caltex was again awarded the Employer of Choice for Gender Equality (EOGC) citation from the Workplace Gender Equality Agency (WGEA). This represents the fourth consecutive year that we have been awarded this citation.

To help guide our progress toward gender equality, we have set a goal of 40% female representation in senior leadership positions to be achieved by 31 December 2020. Currently women represent 34.38% of all senior leadership positions, with 46.7% of all promotion to senior leader positions in 2018. Female representation on the Caltex Leadership Team has remained stable at 37.5%. Female representation among the Caltex Board has declined from 42% to 37.5%, due to an increase in the number of Non-executive Directors during 2018. To continue increasing the pipeline of female talent and the representation of women in senior positions, we will continue to provide appropriate development and promotion opportunities through our Caltex Leadership Academy and talent programs.

Our gender pay differential stands at a minimal rate of 1.08% in favour of males on a like-for-like job basis.



Indigenous Opportunities

Making a meaningful difference to the lives of Indigenous Australians by providing sustainable employment and development opportunities continues to be a focus area for Caltex. Reflective of our commitment, in 2018 we continued strong growth in the number of employees who identified as Aboriginal and Torres Strait Islander, up from 83 to 147 employees as at 31 December 2018. Also, in 2018, our first Indigenous school-based trainee completed their traineeship.

Building on our commitment toward reconciliation, in 2018 Caltex launched its Reconciliation Action Plan (RAP). The RAP is a public declaration of our commitment to reconciliation under the 3 pillars of building respect, relationships and opportunities. The RAP Working Group continues to meet regularly to maintain focus on RAP initiatives, with 2 of its 13 members identifying as Aboriginal and/or Torres Strait Islander.

Flexibility

To ensure we sustain good practices, Caltex promoted a 'Focus on Flexibility' campaign during the year involving the sharing of case studies of successful flexible working arrangements in all their different forms and supporting leaders to make decisions consistent with our culture.

In 2018, Caltex also updated its Parental Leave Policy, and removed the minimum tenure required for parental leave. We also added additional flexibility into our program by extending our policy to long-term and permanent foster carers, as well as extending the period parents can take primary carer's leave from within the first 3 months to within the first 12 months. This is in addition to our Baby Care Package which continues to provide employees with both the practical support and flexibility to make the transition back to work easier.

Corporate Governance Statement

AS AT 26 MARCH 2019

Code of Conduct

Caltex's Code of Conduct (Code) sets out the standards of conduct and behaviour expected from all employees, directors and officers of the Caltex Group. Caltex also expects external parties, including suppliers and customers to act in accordance with our Code. The Caltex Values are also included in the Code.

Caltex has a zero tolerance for bribery, corruption and fraud. The Code and Caltex's Whistleblower Policy also outlines reporting channels to report any instance of bribery, corruption and fraud or any other concerns or reportable conduct, including through the Caltex Hotline. Any non-compliance of the Code are reported to the Board on an annual basis.

Caltex's Code of Conduct and Whistleblowing Policy are available on our website.

Integrity in Financial Reporting

Prior to the approval of Caltex's full year financial statements the Board receives a signed declaration from the Managing Director & CEO and the Chief Financial Officer, pursuant to section 295A of the *Corporations Act 2001* (Cth) (Corporations Act). A signed declaration in the form required by the Corporations Act has been received from the Managing Director & CEO and the Chief Financial Officer for the year ended 31 December 2018.

Continuous Disclosure

Caltex has a written policy for complying with its continuous disclosure obligations.

Caltex's Continuous Disclosure Policy is available on our website.

Communicating With Shareholders

Caltex is committed to giving investors and other stakeholders timely and balanced information about our business and performance, including via the Caltex website (www.caltex.com.au).

Caltex's Shareholder Communications Policy is available on our website.

Investor Relations Program

Caltex has a mature investor relations program which facilitates effective two-way communication with investors.

Annual General Meetings

Caltex has implemented various policies and processes to facilitate and encourage participation at meetings of security holders, including holding its annual general meetings in an accessible location, webcasting and by encouraging security holders to submit questions by email to the company or the external auditor prior to annual general meetings.

Caltex's external auditor attends its annual general meetings and is available to answer questions from security holders relevant to the audit and in accordance with the *Corporations Act 2001* (Cth).

Electronic Communication and Payments

Caltex encourages security holders to receive communications and payments electronically.

Caltex has transitioned to mandatory electronic payments and to electronic investor communications as permitted by the *Corporations Act 2001* (Cth).

Security holders can update their payment and communication elections anytime by emailing Caltex.queries@computershare.com.au, visiting www.computershare.com.au or by contacting Computershare.

Caltex has a dedicated email address for our security holders. Contact us by email at Caltex.queries@computershare.com.au