
**CHARTER
OF THE
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF
PREMCOR INC.**

I. PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the "Committee") is to act as nominating committee with respect to nominees for election to the Board of Directors and committees thereof and to make recommendations to the Board concerning corporate governance matters and practices.

II. COMPOSITION

The Committee shall be composed of three or more directors, each of whom shall be independent as defined under the rules of the NYSE.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless the Chairperson of the Committee is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership. The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to retain, at the Corporation's expense, counsel and other experts or consultants. The Committee shall have the sole authority to select and retain a consultant or search firm to identify director candidates, to terminate any such consultant or search firm retained by it, and to approve the consultant or search firm's fees and other retention terms.

III. MEETINGS

The Committee shall meet as often as necessary to carry out its responsibilities. The Committee Chairperson or any other member of the Committee, in consultation with the Committee Chairperson, may call meetings. The Chief Executive Officer and Secretary of the Corporation, in consultation with the Committee Chairperson, may also call meetings. All meetings of the Committee shall be held pursuant to the Bylaws of the Corporation with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Corporation records. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee. The Committee may delegate some or all of its duties to a subcommittee comprising one or more members of the Committee. The Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request. The Committee shall report to the Board at least once a year.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

1. Identify individuals qualified to become Board members and recommend to the Board proposed nominees for election to the Board by the stockholders at annual meetings including an annual review as to the re-nominations of incumbents and proposed nominees for election by the Board to fill vacancies which occur between stockholder meetings;
2. Consider and recommend to the Board the desirable size and composition of the Board which is to be followed by the Committee in considering candidates;
3. Consider and recommend to the Board the desirable size and composition of each committee of the Board;
4. Develop and make recommendations to the Board regarding corporate governance matters and practices, including effectiveness of the Board, its committees and individual directors. Such matters shall include, at a minimum, the following subjects: (i) director qualification standards, (ii) director responsibilities, (iii) director access to management and, as necessary and appropriate, independent advisors, (iv) director compensation, (v) director orientation and continuing education, (vi) management succession, and (vii) annual performance evaluation of the Board;
5. Develop and recommend to the Board a Code of Business Conduct and Ethics (“Code of Conduct”) applicable to the Corporation, and review the Code of Conduct at least annually. Review management's monitoring of the Corporation's compliance with the Code of Conduct and ensure that management has the proper system in place to enforce the Code of Conduct.
6. Oversee the Board's annual evaluation of the performance of the directors and management of the Corporation and provide recommendations as to how performance can be improved;
7. Such other duties and responsibilities as may be assigned to the Committee from time to time, by the Board of Directors of the Corporation and/or the Chairman of the Board of Directors; and
8. Each year, the Committee shall compare its performance with the requirements of this charter, set forth its objectives for the next year and recommend changes in this charter, if any, considered appropriate by the Committee. Such evaluation shall be reported to the Board in such manner as the Committee from time to time determines.

V. EVALUATION OF POTENTIAL NOMINEES

In evaluating a person as a potential nominee to serve as a director of the Corporation, the Committee should consider among other factors it may deem relevant:

1. Whether or not the person is an “interested person” as defined by the rules of the New York Stock Exchange;
2. Whether or not the person has any relationships that might impair his or her independence, such as any business, financial or family relationships with the Corporation, its management or their affiliates;
3. Whether or not the person serves on boards of, or is otherwise affiliated with, competing companies;
4. Whether or not the person is willing to serve as, and willing and able to commit the time necessary for the performance of the duties of, a director of the Corporation;
5. The contribution which the person can make to the Board and the Corporation, with consideration being given to the person’s business and professional experience, education and such other factors as the Committee may consider relevant;
6. The diversity in gender, ethnic background, and professional experience of a candidate; and
7. The integrity, strength of character, independent mind, practical wisdom, and mature judgment of the person.

While the Committee is responsible for the selection and nomination of the directors, the Committee may consider nominees recommended by stockholders of the Corporation as it deems appropriate. Stockholders who wish to nominate a person for election as a director should send nominations to the Secretary of the Corporation in accordance with the procedures established in the Corporation’s By-Laws.