



John S. Watson  
Chairman and  
Chief Executive Officer

Chevron Corporation

@chevron.com

December 18, 2015

**CLASSIFIED**

Mr. Alexander B. Cummings, Jr.  
Ms. Linnet F. Deily  
Mr. Robert E. Denham  
Dr. Alice P. Gast  
Mr. Enrique Hernandez, Jr.  
Gov. Jon M. Huntsman, Jr.

Mr. Charles W. Moorman  
Mr. John G. Stumpf  
Dr. Ronald D. Sugar  
Mr. Inge G. Thulin  
Mr. Carl Ware

Thank you for your participation in last week's Board and committee meetings in San Ramon. I hope that you found the discussions and briefings informative and helpful.

**November Earnings**

Reported earnings of \$173 million in November were essentially flat with October. Write-offs in the Deepwater and the further weakening in crude prices drove a decline in Upstream's results, while our Downstream business benefited from a generally stronger margin environment and improved earnings from Trading and Chemicals. Foreign exchange impacts also contributed favorably to the month's results. Year-to-date earnings through eleven months were \$5.5 billion or 123% of the full-year objective. As we foreshadowed when we met earlier this month, we expect December earnings will be negatively affected by the continued fall in crude prices and certain non-operating items we'll be recognizing in the month.

Worldwide net OEG production of 2,711 MBD improved 146 MBD on the absence of planned and unplanned downtime across multiple locations, favorable PSC effects, and new volumes at Mid-Continent and in Canada. Through November, production of 2,611 MBD remains within external guidance.

I have enclosed a copy of the [November 2015 Performance Summary](#) booklet.

**2015 Board and Board Committee Performance Evaluation**

I am enclosing the 2015 Board and Board Committees Performance Evaluation. Chevron's Corporate Governance Guidelines require that the Board conduct an annual self-evaluation to assess the Board's and Board committees' performance and effectiveness. I encourage you to provide written comments when answering the Evaluation questions. Please complete and return the Evaluation to Mary Francis by January 8, 2016. This will allow Mary's team to compile the responses in advance of our January Board and committee meetings.

To assist you with completing the Evaluation, I am enclosing the following items:

- [Instructions for Completing the Evaluation](#);
- [2015 Board Meetings: Mailings and Meeting Materials](#), which summarizes Board activities during 2015;
- [Independent Directors' Retirement, Skills, and Qualifications Matrix](#), which summarizes current Board composition and highlights individual Director skills and qualifications. This document is reviewed periodically by the Board Nominating and Governance Committee;
- [2016 Schedule of Board and Board Committee Meetings](#); and
- [2016 Board Meetings: Presentations & Pre-Read Materials](#), which provides a preview of Board activities for the coming year.

Below is a review of 2015 Board activities and a preview of activities for 2016.

**Review of 2015 Board Activities**

The Board held six meetings this year and conducted a wide array of business. The major topics covered during the meetings centered on four primary categories: strategy; business performance; risk, liability and compliance; and governance, and included the following:

<p><b><u>Strategy:</u></b></p> <ul style="list-style-type: none"> <li>▪ Upstream; Downstream &amp; Chemicals; Gas and Midstream strategy</li> <li>▪ 2015 – 2017 Business Plan, Objectives and 2015 Capital and Exploratory Budget</li> <li>▪ financing and debt strategy</li> <li>▪ dividends</li> <li>▪ asset divestitures, including Caltex Australia</li> <li>▪ commodity prices and forecasts</li> <li>▪ market updates and strategic landscape</li> <li>▪ Major Capital Projects</li> <li>▪ Tengizchevroil Wellhead Pressure Management and Future Growth Project</li> <li>▪ executive succession and development planning</li> <li>▪ 2016 – 2018 Business Plan, Objectives and 2016 Capital and Exploratory Budget</li> </ul>	<p><b><u>Business Performance:</u></b></p> <ul style="list-style-type: none"> <li>▪ Upstream; Downstream &amp; Chemicals; Gas and Midstream performance</li> <li>▪ monthly and quarterly earnings</li> <li>▪ Major Capital Projects execution</li> <li>▪ deepwater drilling practices</li> <li>▪ deepwater Gulf of Mexico exploration and development</li> <li>▪ Appalachian/ Michigan Business Unit business performance</li> <li>▪ Chevron North America Exploration and Production Company business performance</li> </ul>
<p><b><u>Risk, Liability and Compliance:</u></b></p> <ul style="list-style-type: none"> <li>▪ enterprise risk management</li> <li>▪ litigation</li> <li>▪ corporate compliance programs</li> <li>▪ corporate insurance programs</li> <li>▪ Directors and officers insurance program</li> <li>▪ Operational Excellence</li> <li>▪ cybersecurity</li> <li>▪ U.S. Master Pension Trust performance</li> </ul>	<p><b><u>Governance:</u></b></p> <ul style="list-style-type: none"> <li>▪ stockholder proposals</li> <li>▪ By-Laws: proxy access; advance notice</li> <li>▪ Corporate Governance Guidelines</li> <li>▪ Executive Committee Charter</li> <li>▪ Board and Board Committees Performance Evaluation</li> </ul>

Particular Board meeting highlights for 2015 included the following:

- In January, Inge Thulin joined the Board.
- The evenings prior to the Board meetings in March, July, and December included the following briefings or poster sessions:

March: Deepwater Drilling Practices; Deepwater Gulf of Mexico Exploration and Development  
July: Executive Succession and Development Planning  
December: Executive Succession and Development Planning

- In March, the Board met in Houston. While there, the Board visited the Drilling Support Center, received an update on Chevron North America Exploration and Production Company business performance, and attended a farewell dinner and reception for George L. Kirkland.
- In May, all Directors attended the Annual Meeting of Stockholders in San Ramon. Stockholders voted in favor of the Board's position on all matters, except proxy access. In September, the Board adopted amendments to the By-Laws to implement proxy access.
- The July Board meeting focused on our strategic plan, business outlook, opportunities, risks, and challenges. Discussion topics included the strategic landscape, market update, Upstream performance, Major Capital Projects performance improvement, and Downstream & Chemicals performance.
- In September, the Board traveled to the Appalachian/Michigan Business Unit's (AMBU) shale fracturing and operational drill sites in Southwest Pennsylvania. During the trip, Board members participated in poster sessions on the following topics: shale fracturing in Appalachia; Operational Excellence; asset base and strategy; factory and performance improvement; and external environment and license to operate. The Board also met with AMBU's leadership team.
- The December Board meeting focused on our 2016 - 2018 business plan and capital and exploratory budget for 2016.

These Board activities provided opportunities for Directors to interact with senior management.

#### **Review of 2015 Committee Activities**

Each Board committee was busy in 2015. For the Board's four standing committees, we held a total of 24 committee meetings.

#### **Audit Committee**

The Audit Committee held ten meetings in 2015. As in prior years, the Committee appointed the Company's independent auditor, reviewed the independent auditor's current year work plan and required reports and communications, and approved the independent auditor's non-audit services budget for the current and coming year. In addition, the Committee reviewed the scope and work plan of the Internal Audit function and the results of the prior year's internal audit program. Consistent with its charter, the Committee reviewed all earnings press releases, SEC filings, CEO and CFO certifications, and received quarterly reports from the Chief Compliance Officer on the effectiveness of the Company's compliance program.

During the year, the Committee also received updates on and discussed emerging accounting and financial regulatory issues, financial risk management as a component of the Company's broader Enterprise Risk Management program, cybersecurity and the Company's Cybersecurity Acceleration Program, select tax matters, and the hydrocarbon resources determination process. Similar updates and discussions are planned for next year.

In 2015, the Committee also had a change in leadership, with Wick replacing Ron as Chair. Members of management assisted with the transition by providing additional briefings on select topics.

#### **Board Nominating and Governance Committee**

The Board Nominating and Governance Committee held six meetings in 2015, including one joint meeting with the Public Policy Committee during which the committees considered responses to stockholder proposals to be included in the 2015 Proxy Statement.

As in prior years, the Committee continued to devote attention to independent Director succession planning, most recently recommending that the Board invite Inge to join the Board. In addition, the Committee considered Board and committee performance evaluations, Director independence, related person transactions, governance disclosure in the 2015 Proxy Statement, committee assignments (including determinations of Audit Committee financial experts), Director and Officer insurance renewal, Section 16 Insider trading transactions, stockholder engagement, and stockholder communications with the Board.

Consistent with its charter, the Committee also reviewed the Company's governance structure and practices and recommended amendments to the Company's By-Laws to address proxy access and add an advance notice provision for stockholder proposals and director nominations (outside of the proxy access process). The Committee also reviewed and recommended amendments to the Corporate Governance Guidelines to amend the Director skills and qualifications criteria and to clarify that the Lead Director will chair executive sessions of the Board if the CEO and Chairman positions are combined, and amendments to the Executive Committee charter to provide for the absence of a Vice Chairman. 2016 Committee plans include the annual review of our corporate governance practices and the biennial review of Director compensation.

In 2015, the Committee also had a change in leadership, with Ron replacing Bob as Chair. Members of management assisted with the transition by providing additional briefings on select topics.

#### Management Compensation Committee

The Management Compensation Committee held four meetings in 2015. The Committee reviewed and acted upon a number of matters related to its administration of the Company's executive compensation and equity incentive programs, including review and approval of annual salary structure and CIP and LTIP awards, particularly for Chevron's named executive officers (NEOs), and review and approval of salary actions related to executive personnel proposals.

During the year, the Committee also completed a variety of its regularly scheduled tasks, such as a risk assessment of Chevron's executive compensation and equity incentive programs, a review of the Compensation Discussion and Analysis included in the proxy statement, an update of the Committee's charter and annual checklist of activities and best practices, and a review of general industry compensation practices, including Chevron's competitive position relative to industry and general-industry peers. The Committee also conducted an annual performance assessment of its outside compensation consultant, Jim Wolf of Meridian Compensation Partners. Finally, the Committee received updates on annual compensation statements for NEOs, CIP performance metrics, LTIP design mix, stock ownership guidelines and reviewed pending SEC rulemaking in executive compensation disclosure.

In 2015, the Committee also had a change in leadership, with Rick replacing Carl as Chair. Members of management assisted with the transition by providing additional briefings on select topics.

#### Public Policy Committee

This year the Public Policy Committee increased its number of regularly scheduled meetings from three to four. In January, the Committee held a joint meeting with the Board Nominating and Governance Committee during which the committees considered responses to stockholder proposals to be included in the 2015 Proxy Statement. In March, the Committee reviewed key environmental issues that could affect Chevron's activities and performance, including environmental management, environmental remediation, environmental reserves and liabilities, and water. In July, the Committee reviewed Chevron Employee Political Action Committee political contributions, Company lobbying initiatives, and U.S. legislative, regulatory, policy, and political developments. In December, the Committee received updates on Chevron's Human Rights Policy, revenue transparency, and Chevron's corporate responsibility and social investment program.

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During the year, the Committee also received updates on major legislative and regulatory issues and 2016 elections. The Committee is scheduled to meet four times next year to receive updates on and discuss these topics and others.

**Preview of 2016 Board Activities**

The enclosed 2016 Schedule of Board and Board Committee Meetings and schedule of 2016 Board Meetings: Presentations & Pre-Read Materials provide a preview of Board activities for next year. We have scheduled six in-person Board meetings, as well as two telephonic meetings, if needed. In March, we will meet in Houston. In September, we will meet in Australia as part of our planned visit to our operations there.

Our meetings will continue to focus principally on Chevron's strategy, business performance, risk, liability and compliance, and governance. We will continue to provide much of the information for our meetings as pre-read material to allow more meeting time for questions and discussion.

As always, I would appreciate your input, ideas, and suggestions on Board activities and plans.

**Public Policy Issues Brief**

At its December meeting, the Public Policy Committee received an updated version of the Public Policy Issues Brief, which includes a summary of key financial and operating statistics for and the key public policy and regulatory issues in the top ten countries where we operate. The Brief is an important resource for all Board members, and I have enclosed a copy for your review.

\* \* \*

I hope you have a safe and enjoyable holiday season. I look forward to a strong and productive new year.

Best regards,

John S. Watson  
Chairman and CEO  
Chevron Corporation

Enclosures

cc: Mr. R. Hewitt Pate  
Ms. Mary A. Francis

**Instructions**  
**2015 Board and Board Committee Performance Evaluation**

1. The “Questionnaires” feature on Diligent Boards is available via iPad and your desktop computer or laptop. For Directors reviewing the letter and completing and returning the 2015 Board and Board Committee Performance Evaluation (questionnaire) via Diligent Boards, please complete one of the following steps.

➤ **Using the Questionnaires feature on the Diligent Boards website from your iPad:**



1. Tap the Section Menu icon to open the section menu.
2. Tap the Questionnaires icon. The Section Menu will close, and a list of questionnaires will open.
3. Access Active Questionnaires.
4. To access the questionnaire, tap on the following:

**2015 Board and Board Committee Performance Evaluation**

5. Read the instructions and complete the questionnaire.  
Tap the “Next” button to proceed to next page or “Save and Finish Later” to save your progress and return to it later.
6. Tap the “Submit” button (“Submission Page” on page 6/6) to submit your questionnaire responses as final.

Note: Once a questionnaire is submitted, you cannot alter or change any of the responses made to it. Questionnaires will automatically appear in the “Inactive” section once submitted. If you need to change your responses for any reason, please contact Irma Rodriguez at [REDACTED] or [REDACTED]@chevron.com.

➤ **Using the Questionnaires feature in the Diligent Boards website from your desktop computer or laptop:**

1. Click the Questionnaires icon at the top navigation bar.
2. To access the questionnaire, click on the following:  
**2015 Board and Board Committee Performance Evaluation**
3. Read the instructions and complete the questionnaire.  
Click the “Next” button to proceed to next page or “Save and Finish Later” to save your progress and return to it later.
4. Click the “Submit” button (“Submission Page” on page 6/6) to submit your questionnaire responses as final.

Note: Once a questionnaire is submitted, you cannot alter or change any of the responses made to it. Questionnaires will automatically appear in the “Inactive” section once submitted. If you need to change your responses for any reason, please contact Irma Rodriguez at [REDACTED] or [REDACTED]@chevron.com.

2. **For Directors reviewing the materials and completing the questionnaire via hard copy:**

- Please complete the questionnaire and return by close of business on Friday, January 8, 2016, to Mary Francis by fax to [REDACTED] or by email to [REDACTED]@chevron.com. For your convenience, we also enclose a self-addressed FedEx envelope to use to return the completed materials to Mary Francis.

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
1/21/15	Mailing	<p>Transmittal Letter from Lydia Beebe:</p> <ul style="list-style-type: none"> <li>January 28 Board Meeting Materials</li> <li>Insider Trading Window Reminder</li> <li>Stockholder Proposals and Draft Board Responses</li> <li>2014 Performance Summary</li> <li>Upstream 2014 Performance Summary</li> <li>Downstream and Chemicals 2014 Performance Summary</li> </ul> <p><u>Proposed Resolutions:</u></p> <ul style="list-style-type: none"> <li>Election, Committee Assignments, and Compensation of New Director Inge G. Thulin</li> <li>2014 Annual Meeting of Stockholders</li> <li>Supplement to the 2014 Consolidated Capital and Exploratory Budget</li> <li>Consolidated 2015 – 2017 Business Plan, the 2015 Performance Objectives, and the 2015 Consolidated Capital and Exploratory Budget</li> <li>Dividend Action</li> </ul> <p><u>Briefs and Other Items:</u></p> <ul style="list-style-type: none"> <li>2015 – 2017 Business Plan Summary</li> <li>Revised 2015 Schedule of Board and Board Committee Meetings</li> <li>Results from the 2014 Board and Board Committees' Performance Evaluation Questionnaire</li> <li>2014 Reserves Results</li> <li>Operational Excellence Update</li> <li>2014 CIP Report</li> <li>Financing and Debt Strategy</li> <li>Fourth Quarter 2014 Performance Summary</li> </ul>	n/a
1/27/15	Dinner Briefing	No Briefing	n/a
1/28/15	Meeting	<p><u>Topics Covered:</u></p> <ul style="list-style-type: none"> <li>2014 Performance Summary</li> <li>Market Update</li> <li>Litigation Update</li> <li>Upstream 2014 Performance Review</li> <li>Downstream and Chemicals 2014 Performance Review</li> <li>2015 – 2017 Business Plan Summary</li> <li>Questions and Discussion on Financing and Debt Strategy</li> </ul> <p><u>Adopted Resolutions:</u></p> <ul style="list-style-type: none"> <li>Election, Committee Assignments, and Compensation of</li> </ul>	<p>Pat Yarrington Joe Naylor Hew Pate George Kirkland Mike Wirth Pat Yarrington Pat Yarrington</p>

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
		<p>New Director Inge G. Thulin</p> <ul style="list-style-type: none"> <li>• 2014 Annual Meeting of Stockholders</li> <li>• Supplement to the 2014 Consolidated Capital and Exploratory Budget</li> <li>• Consolidated 2015 – 2017 Business Plan, the 2015 Performance Objectives, and the 2015 Consolidated Capital and Exploratory Budget</li> <li>• Dividend Action</li> </ul> <p><u>Supplemental Materials Distributed at Meeting:</u></p> <ul style="list-style-type: none"> <li>• Pira Energy Group: World Oil Market Forecast</li> <li>• IHS Energy: Market Briefing</li> <li>• The New Oil Order: Lower for Longer to Keep Capital Sideline</li> </ul>	
02/25/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• Earnings Update</li> <li>• January Performance Summary</li> <li>• Stockholder Proposals and Draft Board Responses</li> <li>• Reactions to Chevron 4Q14 Earnings Call</li> <li>• Reactions to LTIP Competitors' 4Q14 Earnings Calls</li> </ul>	n/a
3/6/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• Security Analyst Meeting Booklet</li> </ul>	n/a
3/18/15	Mailing	<p><u>Transmittal Letter from Lydia Beebe:</u></p> <ul style="list-style-type: none"> <li>• March 25 Board Meeting Materials</li> </ul> <p><u>Proposed Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Endorsing to Stockholders the Ratification of the Audit Committee's Selection of Company Auditor</li> <li>• Nominees for Directors and Director Independence</li> <li>• Committee Assignments</li> <li>• Designation of Section 16 Insiders</li> <li>• Maximum Aggregate Indebtedness and Debt Issuances</li> <li>• Fee for Lead Director</li> <li>• Amendment to Corporate Governance Guidelines – Board Membership Criteria</li> <li>• Resolution of Appreciation for Kevin Sharer</li> </ul> <p><u>Briefs and Other Items:</u></p> <ul style="list-style-type: none"> <li>• Annual Report on Form 10-K</li> <li>• 2015 Proxy Statement for Board review</li> <li>• Letter from PricewaterhouseCoopers LLP regarding audit</li> </ul>	n/a

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
		<p>of financial statements in Annual Report on Form 10-K</p> <ul style="list-style-type: none"> <li>• Letter from Pillsbury Winthrop Shaw Pittman LLP regarding Annual Report on Form 10-K</li> <li>• Letter from Ron Sugar regarding Audit Committee endorsement of the Annual Report on Form 10-K</li> <li>• Revised 2015 Schedule of Board and Board Committee Meetings</li> <li>• Reactions to Chevron's 2015 Security Analyst Meeting</li> <li>• Reactions to Exxon's 2015 Security Analyst Meeting</li> <li>• February Performance Summary</li> <li>• Appalachian/Michigan Strategic Business Unit Lookback and Summary of Current Plans</li> <li>• Operational Excellence Update</li> <li>• U.S. Master Pension Trust Performance Review Year-End 2014</li> <li>• Corporate Compliance Program Update</li> <li>• Litigation Summary</li> </ul>	
3/24/15	Dinner Briefing	<p><u>Poster Session:</u></p> <ul style="list-style-type: none"> <li>• Deepwater Drilling Practices</li> <li>• Deepwater Gulf of Mexico Exploration and Development</li> </ul>	David Payne Bobby Ryan and Steve Thurston
3/25/15	Meeting	<p><u>Topics Covered:</u></p> <ul style="list-style-type: none"> <li>• February Performance Update</li> <li>• Major Capital Projects Update</li> <li>• Report on Significant Litigation</li> <li>• Compliance Program Update</li> <li>• Market Update</li> <li>• CNAEP Update</li> </ul> <p><u>Adopted Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Endorsing to Stockholders the Ratification of the Audit Committee's Selection of Company Auditor</li> <li>• Nominees for Directors and Director Independence</li> <li>• Committee Assignments</li> <li>• Designation of Section 16 Insiders</li> <li>• Maximum Aggregate Indebtedness and Debt Issuances</li> <li>• Fee for Lead Director</li> <li>• Amendment to Corporate Governance Guidelines Board Membership Criteria</li> <li>• Resolution of Appreciation for Kevin Sharer</li> <li>• Election of Officers (distributed at meeting)</li> <li>• Nominees for Directors and Independence (distributed at meeting)</li> </ul>	Pat Yarrington Jay Johnson Hew Pate Beth Claar Joe Naylor Jeff Shellebarger

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
		<ul style="list-style-type: none"> <li>Committee Assignments (distributed at meeting)</li> </ul> <p><u>Supplemental Materials Distributed at Meeting:</u></p> <ul style="list-style-type: none"> <li>Project Albion</li> </ul>	Mark Menke
4/22/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>Earnings Update</li> <li>First Quarter Performance Summary</li> <li>April 29 Dividend Action – Unanimous Written Consent</li> <li>Dividend Recommendation</li> <li>Statement of Retained Earnings</li> <li>2014 Annual Report</li> <li>2014 Supplement to Annual Report</li> <li>2015 Proxy Statement</li> <li>Proxy Voting Instruction Form for Directors</li> <li>Insider Trading Window Reminder</li> <li>Committees of the Board of Directors (effective May 26)</li> <li>Revised 2015 Schedule of Board and Board Committee Meetings</li> </ul>	n/a
5/20/15	Mailing	<p><u>Transmittal Letter from Mary Francis:</u></p> <ul style="list-style-type: none"> <li>May 27 Board Meeting Materials</li> <li>Insider Trading Window Reminder</li> </ul> <p><u>Proposed Resolutions:</u></p> <ul style="list-style-type: none"> <li>Election of Officers</li> <li>Resolution of Appreciation for George L. Kirkland</li> </ul> <p><u>Briefs and Other Items:</u></p> <ul style="list-style-type: none"> <li>Revised 2015 Schedule of Board and Board Committee Meetings</li> <li>High-Level Itinerary for September Board Trip in Pennsylvania</li> <li>Shell's Pending Acquisition of BG Group</li> <li>Shell Kulluk Incident and Chevron Safeguards</li> <li>Cost Reduction Update</li> <li>Operational Excellence Update</li> <li>Major Capital Projects Update</li> <li>Reactions to Chevron 1Q15 Earnings Call</li> <li>Reactions to LTIP Competitors' 1Q15 Earnings Calls</li> <li>2014 Corporate Responsibility Report</li> </ul>	n/a
5/26/15	Dinner Briefing	Reception and Dinner in Honor of George L. Kirkland	n/a

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
5/27/15	Meeting	<p><u>Topics Covered:</u></p> <ul style="list-style-type: none"> <li>• Annual Meeting Preview</li> <li>• Market Update</li> <li>• April Performance Update</li> <li>• Major Capital Projects Update</li> <li>• Litigation Update</li> </ul> <p><u>Adopted Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Election of Officers</li> <li>• Resolution of Appreciation for George L. Kirkland</li> </ul> <p><u>Supplemental Materials Distributed at Meeting:</u></p> <ul style="list-style-type: none"> <li>• April Performance Summary</li> </ul>	<p>Steve Green Joe Naylor Pat Yarrington Jay Johnson Hew Pate</p>
6/24/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• Earnings Update</li> <li>• May Performance Summary</li> <li>• Revised 2015 Schedule of Board and Board Committee Meetings</li> </ul>	n/a
7/22/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• July 29 Board Meeting Materials</li> <li>• Insider Trading Window Reminder</li> </ul> <p><u>Proposed Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Dividend Action</li> </ul> <p><u>Briefs and Other Items:</u></p> <ul style="list-style-type: none"> <li>• High-Level Itinerary for September Board Trip in Pennsylvania</li> <li>• Revised 2015 Schedule of Board and Board Committee Meetings</li> <li>• Strategy Discussion Materials</li> <li>• Corporate Insurance Program Renewal</li> <li>• Cybersecurity Update</li> <li>• Major Environmental Remediation Projects with EMC Involvement</li> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Update</li> <li>• 2015 Mid-Year CIP Report</li> <li>• Form S-3 Registration Statement</li> </ul>	n/a
7/28/15	Dinner Briefing	<ul style="list-style-type: none"> <li>• Executive Succession and Development Planning</li> </ul>	Joe Laymon

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
7/29/15	Meeting	<p><u>Topics Covered:</u></p> <ul style="list-style-type: none"> <li>• First Half 2015 Performance Update and Dividend Action</li> <li>• Litigation Update</li> <li>• Major Capital Projects Performance Improvement</li> <li>• Strategy Discussions: <ul style="list-style-type: none"> <li>○ Strategic Update Introduction</li> <li>○ Strategic Landscape and Market Update</li> <li>○ Upstream</li> <li>○ Downstream and Chemicals</li> </ul> </li> </ul> <p><u>Adopted Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Dividend Action</li> </ul> <p><u>Supplemental Materials Distributed at Meeting:</u></p> <ul style="list-style-type: none"> <li>• 2015 Second Quarter Performance Summary</li> </ul>	<p>Pat Yarrington Hew Pate Joe Geagea</p> <p>John Watson Joe Naylor Jay Johnson Mike Wirth</p>
8/26/15	Mailing	<p><u>Transmittal Letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• Earnings Update</li> <li>• July Performance Summary</li> <li>• Chevron U.S. Master Pension Trust Performance Review</li> <li>• Reactions to Chevron 2Q15 Earnings Call</li> <li>• Reactions to LTIP Competitors' 2Q15 Earnings Calls</li> <li>• Public Policy Issues Brief</li> </ul>	n/a
9/23/15	Mailing	<p><u>Transmittal letter from John Watson:</u></p> <ul style="list-style-type: none"> <li>• September 30, 2015 Board Meeting Materials</li> </ul> <p><u>Proposed Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Amendments to By-Laws, Corporate Governance Guidelines, and Executive Committee Charter</li> </ul> <p><u>Briefs and Other Items:</u></p> <ul style="list-style-type: none"> <li>• Revised 2016 Schedule of Board and Board Committee Meetings</li> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Summaries</li> <li>• August Performance Summary</li> </ul> <p><u>Appalachian/Michigan Business Unit (AMBU) Pre-Read Materials:</u></p> <ul style="list-style-type: none"> <li>• High-Level Itinerary</li> <li>• AMBU Business Overview</li> <li>• Appalachia Field Visit Overview</li> <li>• CNAEP Overview</li> </ul>	n/a

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
		<ul style="list-style-type: none"> <li>• CNAEP – Areas of Operation Map</li> <li>• AMBU – Areas of Operation Map</li> <li>• Organizational Chart – AMBU Leadership Team</li> <li>• Biographies for AMBU attendees</li> <li>• Chevron in Appalachia: Managing Performance, Measuring Results Report</li> <li>• Video – “AMBU Introduction” (Aerial Perspective of the Region’s Topography and Our Operations)</li> </ul>	
9/29/15	Briefing	<p><u>Optional Field Trip:</u></p> <ul style="list-style-type: none"> <li>• Southwest Pennsylvania</li> </ul> <p><u>Poster Sessions:</u></p> <ul style="list-style-type: none"> <li>• Shale Fracturing in Appalachia</li> <li>• Operational Excellence Culture</li> <li>• Asset Base and Strategy</li> <li>• Factory and Performance Improvement</li> <li>• External Environment and License to Operate</li> </ul>	<p>Justin Krasa Bev Zabel Nigel Hearne &amp; Marc Payne Alan Pitts &amp; Gary Orr</p> <p>David Kimbrell, John Johnson, &amp; Trip Oliver</p>
9/30/15	Meeting	<p><u>Topics Covered:</u></p> <ul style="list-style-type: none"> <li>• August Performance Update</li> <li>• Major Capital Projects Update</li> <li>• Market Update</li> <li>• Tengizchevroil Wellhead Pressure Management and Future Growth Project Review</li> <li>• Enterprise Risk Management Update</li> <li>• Litigation Update</li> </ul> <p><u>Adopted Resolutions:</u></p> <ul style="list-style-type: none"> <li>• Amendments to By-Laws, Corporate Governance Guidelines, and Executive Committee Charter</li> </ul>	<p>Pat Yarrington Jay Johnson Joe Naylor Tim Miller &amp; Paul Benoit</p> <p>Joe Naylor Hew Pate</p>
10/21/15	Mailing	<p><u>Transmittal Letter from Mary Francis:</u></p> <ul style="list-style-type: none"> <li>• October 28 Dividend Action – Unanimous Written Consent</li> <li>• Dividend Recommendation</li> <li>• Statement of Retained Earnings</li> <li>• Insider Trading Window Reminder</li> <li>• 2015 Directors and Officers Insurance Program</li> <li>• Third Quarter Performance Summary</li> </ul>	n/a

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
10/28/15	Mailing	<u>Transmittal Letter from John Watson:</u> <ul style="list-style-type: none"> <li>Press release regarding senior leadership changes</li> </ul>	n/a
12/2/15	Mailing	<u>Transmittal Letter from John Watson:</u> <ul style="list-style-type: none"> <li>December 9 Board Meeting Materials</li> </ul> <u>Resolutions Regarding:</u> <ul style="list-style-type: none"> <li>Consolidated 2016 – 2018 Corporate Business Plan, 2016 Performance Objectives, and 2016 Consolidated C&amp;E Budget</li> </ul> <u>Briefs and Other Items:</u> <ul style="list-style-type: none"> <li>Major Capital Projects Update</li> <li>Operational Excellence Update</li> <li>Business Plan Overview</li> <li>Reactions to Chevron 3Q15 Earnings Call</li> <li>Reactions to LTIP Competitors' 3Q15 Earnings Calls</li> <li>October Performance Summary</li> </ul>	n/a
12/8/15	Dinner Briefing	Executive Succession and Development Planning	Joe Laymon
12/9/15	Meeting	<u>Topics Covered:</u> <ul style="list-style-type: none"> <li>October Performance Update</li> <li>Major Capital Projects Update</li> <li>Market Update and Plan Assumptions</li> <li>Litigation Update</li> <li>2016 – 2018 Business Plan: <ul style="list-style-type: none"> <li>Introduction</li> <li>Business Outlook and Assumptions</li> <li>Upstream</li> <li>Downstream and Chemicals</li> <li>Gas and Midstream</li> <li>Financials</li> <li>C&amp;E Approval</li> </ul> </li> </ul> <u>Adopted Resolutions:</u> <ul style="list-style-type: none"> <li>Consolidated 2016 – 2018 Corporate Business Plan, 2016 Performance Objectives, and 2016 Consolidated C&amp;E Budget</li> </ul>	Pat Yarrington Jay Johnson Joe Naylor Hew Pate  John Watson Joe Naylor Jay Johnson Mike Wirth Pierre Breber Pat Yarrington
12/18/15	Mailing	<u>Transmittal Letter from John Watson:</u> <ul style="list-style-type: none"> <li>2015 Board and Board Committees' Performance Evaluation</li> <li>2015 Board Meetings: Mailing and Meeting Materials</li> </ul>	n/a

**2015 BOARD MEETINGS:  
MAILINGS AND MEETING MATERIALS**

Updated: 12/11/2015

Date	Type	Topic	Presenter
		<p>Schedule</p> <ul style="list-style-type: none"> <li>• Independent Directors' Retirement Skills, and Qualifications Matrix</li> <li>• 2016 Schedule of Board and Board Committee Meetings</li> <li>• 2016 Board Meetings: Presentations &amp; Pre-Read Materials</li> <li>• Earnings Update</li> <li>• November Performance Summary</li> <li>• Public Policy Issues Brief</li> </ul> <p><u>Transmittal Letter from Mary Francis:</u></p> <ul style="list-style-type: none"> <li>• Director and Officer Questionnaire</li> <li>• Biographical Information</li> <li>• Powers of Attorney <ul style="list-style-type: none"> <li>○ Form 10-K</li> <li>○ Section 16</li> <li>○ Form S-3</li> </ul> </li> </ul>	

**CHEVRON CORPORATION**  
**NON-EMPLOYEE DIRECTORS' RETIREMENT, SKILLS AND QUALIFICATIONS MATRIX**

DIRECTOR	BOARD RETIREMENT YEAR	DIVERSITY		EDUCATION	PRIMARY CAREER POSITIONS	PUBLIC COMPANY BOARD SERVICE	LEADERSHIP EXPERIENCE						INDEPENDENT	ATTENDANCE FOR 2015	FINANCIALLY LITERATE	FINANCIAL EXPERT
		AGE ON 4/07/2016	GENDER / ETHNICITY				CEO / SR EXEC / LEADER OF SIGNIFICANT BUSINESS OPERATIONS	SCIENCE / TECHNOLOGY / ENGINEERING / RESEARCH / ACADEMIA	GOVERNMENT / REGULATORY / LEGAL / PUBLIC POLICY	FINANCE / FINANCIAL DISCLOSURE / FINANCIAL ACCOUNTING	GLOBAL BUSINESS / INTL. AFFAIRS	ENVIRON- MENT				
ALEXANDER B. CUMMINGS, JR.	2029	59	African American	B.S. in Finance and Economics MBA in Finance	EVP and CAO of The Coca-Cola Company; President and COO of The Coca-Cola's Africa Group and President of the North & West Africa Division	Coca-Cola Bottling Co. Consolidated	X	X		X	X		Yes	94%	Yes	Yes
LINET F. DELY	2018	70	Female	B.A. in Government M.A. in International Management	Deputy US Trade Representative and Ambassador to WTO; Vice-Chairman, The Charles Schwab Corporation; President, Schwab Retail Group; President, Schwab Institutional-Services for Investment Managers; Chairman, President & CEO, First Interstate Bank of Texas; Executive Vice-President, First Interstate Bancorp	Honeywell International, Inc.	X		X	X	X	X	Yes	100%	Yes	Yes
ROBERT E. DENHAM	2018	70		B.A. in Government M.A. in Government J.D.	Partner, Munger, Tolles & Olson LLP; Chairman & CEO, Salomon Inc.	Formento Economico Mexicano, S.A. de C.V., New York Times Company, Oaktree Capital Group, LLC	X		X	X		X	Yes	100%	Yes	Yes
ALICE P. GAST	2030	57	Female	B.S. in Chemical Engineering M.S. in Chemical Engineering Ph.D. in Chemical Engineering	President, Imperial College London; President, Lehigh University; VP for Research and Associated Provost Massachusetts Institute of Technology; Science envoy appointed by U.S. Secretary of State Hillary Rodham Clinton and the U.S. Department of State			X	X	X	X	X	Yes	94%	Yes	No
ENRIQUE HERNANDEZ, JR.	2028	60	Hispanic	B.A. in Government and Economics J.D.	Chairman, President and CEO of Inter-Con Security Systems, Inc.; Co-founder and Principal Partner of Interspan Communications	McDonald's Corporation, Nordstrom, Inc., Wells Fargo & Company	X		X		X		Yes	79%	Yes	Yes
JON M. HUNTSMAN, JR.	2032	56		B.S. International Politics	Chairman, Huntsman Cancer Foundation; Candidate for the Republican nomination for President of the United States in 2011; Ambassador to China; Governor of Utah; Ambassador to Singapore; Deputy U.S. Trade Representative and Deputy Assistant Secretary of Commerce for Asia	Caterpillar Inc., Ford Motor Company, Hilton Worldwide	X		X		X	X	Yes	80%	Yes	No
CHARLES W. MOORMAN, IV	2024	64		B.S. in Civil Engineering M.B.A.	Chairman, CEO and President, Norfolk Southern Corporation	Norfolk Southern Corporation	X	X		X		X	Yes	100%	Yes	Yes
JOHN G. STUMPF	2026	62		B.A. in Finance MBA in Finance	Chairman, CEO and President, Wells Fargo & Company	Target Corporation, Wells Fargo & Company	X			X			Yes	81%	Yes	Yes
RONALD D. SUGAR	2021	67		B.S. in Electrical Engineering M.S. in Electrical Engineering Ph.D. in Electrical Engineering	Chairman, CEO and President, Northrop Grumman Corporation; President and COO, Litton Industries, Inc.; President and COO, TRW Aerospace and Information Systems	Air Lease Corporation, Amgen Inc., Apple Inc.	X	X		X	X	X	Yes	100%	Yes	Yes
INGE G. THULIN	2026	62		Marketing and Economics from Gothenburg University	Chairman, President and CEO of 3M Company	3M Company	X			X	X	X	Yes	100%	Yes	Yes
CARL WARE	2016	72	African American	B.S. in Political Science M.S. in Public Administration	President and COO, Ware Investment Properties, LLC, Formerly Senior Advisor to the CEO, The Coca-Cola Company; Executive Vice-President, Global Public Affairs and Administration, The Coca-Cola Company; President, The Coca-Cola Company's Africa Group		X				X	X	Yes	100%	Yes	No

**CHEVRON CORPORATION**  
**2016 SCHEDULE OF BOARD AND BOARD COMMITTEE MEETINGS**

DATE	MEETING	TIME (PACIFIC)	LOCATION
January 26	Board Nominating and Governance Committee	1:30 p.m.	A4320
	Public Policy Committee/BN&GC (joint session)	2:30 p.m.	A4330
	Audit Committee	2:30 p.m.	Board Room
	Management Compensation Committee	4:30 p.m.	A4320
	<b>Board Briefing &amp; Dinner</b>	<b>6:00 p.m.</b>	<b>Board Room</b>
January 27	<b>Board of Directors</b>	<b>7:00 a.m.</b>	<b>Board Room</b>
February 16	Board Nominating and Governance Committee (if needed)	10:00 a.m.	Teleconference
February 24	Audit Committee--summary review of the Form 10-K (all Directors invited at their option)	8:00 a.m.	Teleconference
March 29	Board Nominating and Governance Committee	2:00 p.m. CT	Houston, TX
	Public Policy Committee	3:15 p.m. CT	Houston, TX
	Management Compensation Committee (senior executive bonuses)	4:30 p.m. CT	Houston, TX
	<b>Board Dinner (Retiring Director)</b>	<b>6:00 p.m. CT</b>	<b>Houston, TX</b>
March 30	<b>Board of Directors</b>	<b>7:00 a.m. CT</b>	<b>Houston, TX</b>
April 27	Audit Committee	7:00 a.m.	Teleconference
	<b>Board of Directors (if needed)</b>	<b>9:00 a.m.</b>	<b>Teleconference</b>
May 4	Audit Committee	8:00 a.m.	Teleconference
May 24	Board Nominating and Governance Committee	4:00 p.m.	A4320
	<b>Board Briefing &amp; Dinner</b>	<b>6:00 p.m.</b>	<b>Board Room</b>
May 25	<b>Breakfast Briefing</b>	<b>6:30 a.m.</b>	<b>Board Room</b>
	Annual Stockholders' Meeting	8:00 a.m.	Auditorium
	<b>Board of Directors</b>	<b>After Annual Mtg.</b>	<b>Board Room</b>
July 26	Board Nominating and Governance Committee	2:00 p.m.	A4320
	Audit Committee	2:30 p.m.	A4325
	Public Policy Committee	3:15 p.m.	A4330
	Management Compensation Committee	4:30 p.m.	A4320
	<b>Board Briefing &amp; Dinner</b>	<b>6:00 p.m.</b>	<b>Board Room</b>
July 27	<b>Board of Directors</b>	<b>7:00 a.m.</b>	<b>Board Room</b>
August 3	Audit Committee	8:00 a.m.	Teleconference
<b>International Board Trip – September 26 – 30, 2016 – Australia</b>			
September 28	<b>Board of Directors</b>	<b>TBD</b>	<b>Australia</b>
October 26	Audit Committee	7:30 a.m.	Teleconference
	<b>Board of Directors (if needed)</b>	<b>9:00 a.m.</b>	<b>Teleconference</b>
November 2	Audit Committee	8:00 a.m.	Teleconference
December 6	Board Nominating and Governance Committee	2:00 p.m.	A4320
	Audit Committee	2:30 p.m.	A4325
	Public Policy Committee	3:15 p.m.	A4330
	Management Compensation Committee	4:30 p.m.	A4320
	<b>Board Briefing &amp; Dinner</b>	<b>6:00 p.m.</b>	<b>Board Room</b>
December 7	<b>Board of Directors</b>	<b>7:00 a.m.</b>	<b>Board Room</b>

- 7:00 a.m. in-person Board meetings will end around noon.
- 9:00 a.m. telephonic Board meetings will end around 10:00 a.m.

**CHEVRON CORPORATION**  
**2016 BOARD MEETINGS:**  
**PRESENTATIONS & PRE-READ MATERIALS**

12/11/15

DATE	TOPIC	PRESENTER
January 26 (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>[Topic TBD]</li> </ul>	TBD
January 27 (Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>Fourth Quarter and Full Year 2015 Performance Update and Dividend Action</li> <li>Excom and Major Capital Projects Update</li> <li>Market Update</li> <li>2015 Performance Overview</li> <li>Upstream 2015 Performance and Reserves Review</li> <li>Downstream &amp; Chemicals 2015 Performance Review</li> <li>Industry Mergers &amp; Acquisitions Environment</li> <li>Deepwater Gulf of Mexico Performance Lookback</li> <li>Litigation Update</li> <li>Financing and Debt Strategy Q&amp;A</li> </ul>	<p>Pat Yarrington</p> <p>Jay Johnson</p> <p>Joe Naylor</p> <p>John Watson</p> <p>Jay Johnson</p> <p>Pierre Breber</p> <p>Mark Menke / Jay Pryor</p> <p>TBD</p> <p>Hew Pate</p> <p>Pat Yarrington</p>

DATE	TOPIC	PRESENTER
	<u>Briefs</u> <ul style="list-style-type: none"> <li>• Financing and Debt Strategy</li> <li>• 2015 Final CIP Report</li> <li>• 2015 Financial Reserves Results</li> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Update</li> </ul>	
March 29 (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>• Board Dinner for Retiring Director, Carl Ware</li> </ul>	
March 30 (Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>• February Performance Update</li> <li>• Excom and Major Capital Projects Update</li> <li>• Market Update</li> <li>• Major Litigation Update</li> <li>• Compliance Program Update</li> </ul> <u>Briefs</u> <ul style="list-style-type: none"> <li>• U.S. Master Pension Trust Performance Review Year-End 2015</li> <li>• Compliance Program Update</li> <li>• Major Litigation Summary</li> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Update</li> </ul>	Pat Yarrington  Jay Johnson  Joe Naylor  Hew Pate  Beth Claar

DATE	TOPIC	PRESENTER
April 27 (Telephonic, if needed, or via UWC)	<ul style="list-style-type: none"> <li>First Quarter Earnings Review and Dividend Action</li> </ul>	Pat Yarrington
May 24 (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>TBD</li> </ul>	TBD
May 25 (Breakfast Briefing)	<u>Presentation</u> <ul style="list-style-type: none"> <li>Annual Meeting Preview</li> </ul>	Steve Green
(Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>April Performance Update</li> <li>Excom and Major Capital Projects Update</li> <li>Market Update</li> <li>Enterprise Risk Management Update</li> <li>Supply Chain Health Check &amp; Risk Mitigation Plans</li> <li>Litigation Update</li> </ul> <u>Briefs</u> <ul style="list-style-type: none"> <li>2015 Corporate Responsibility Report</li> <li>Operational Excellence Update</li> <li>Major Capital Projects Update</li> <li>Cybersecurity Update</li> </ul>	Pat Yarrington  Jay Johnson  Joe Naylor  Joe Naylor  TBD  Hew Pate

DATE	TOPIC	PRESENTER
July 26 (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>Executive Succession &amp; Development Planning</li> </ul>	Joe Laymon
July 27 (Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>First Half 2016 Performance Update and Dividend Action</li> </ul>	Pat Yarrington
	<ul style="list-style-type: none"> <li>Excom and Major Capital Projects Update</li> </ul>	Jay Johnson
	<ul style="list-style-type: none"> <li>Strategy Discussions: <ul style="list-style-type: none"> <li>▫ Strategic Update Introduction</li> <li>▫ Strategic Landscape &amp; Market Update</li> </ul> </li> </ul>	John Watson
	<ul style="list-style-type: none"> <li>▫ Upstream Strategic Update</li> <li>▫ Downstream &amp; Chemicals Strategic Update</li> <li>Litigation Update</li> </ul>	Joe Naylor
	<u>Briefs</u> <ul style="list-style-type: none"> <li>Strategy Overview</li> <li>Corporate Insurance Program Renewal</li> <li>2016 Mid-Year CIP Report</li> <li>Operational Excellence Update</li> <li>Major Capital Projects Update</li> </ul>	Jay Johnson
		Pierre Breber
		Hew Pate
September (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>[Topic TBD]</li> </ul>	TBD

DATE	TOPIC	PRESENTER
September (Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>• August Performance Update</li> <li>• Excom and Major Capital Projects Update</li> <li>• Market Update</li> <li>• Organizational Capability Outlook</li> <li>• Litigation Update</li> </ul> <u>Briefs</u> <ul style="list-style-type: none"> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Update</li> </ul>	Pat Yarrington  Jay Johnson  Joe Naylor  TBD  Hew Pate
October 26 (Telephonic, if needed, or via UWC)	<u>Presentation</u> <ul style="list-style-type: none"> <li>• Third Quarter Performance Update and Dividend Action</li> </ul> <u>Brief</u> <ul style="list-style-type: none"> <li>• Directors and Officers Insurance Program Renewal</li> </ul>	Pat Yarrington
December 6 (Pre-dinner Briefing)	<ul style="list-style-type: none"> <li>• Executive Succession and Development Planning</li> </ul>	Joe Laymon
December 7 (Meeting)	<u>Presentations</u> <ul style="list-style-type: none"> <li>• October Performance Update</li> <li>• Excom and Major Capital Projects Update</li> <li>• 2017-2019 Business Plan:</li> </ul>	Pat Yarrington  Jay Johnson

DATE	TOPIC	PRESENTER
	▫ Introduction and Key Messages	John Watson
	▫ Market Update & Plan Assumptions	Joe Naylor
	▫ Upstream	Jay Johnson
	▫ Downstream & Chemicals	Pierre Breber
	▫ Midstream & Development	Mike Wirth
	▫ Financials & 2017 C&E	Pat Yarrington
	• Litigation Update	Hew Pate
	<u>Briefs</u> <ul style="list-style-type: none"> <li>• Business Plan Overview</li> <li>• Operational Excellence Update</li> <li>• Major Capital Projects Update</li> </ul>	



# **Public Policy Issues Brief Government Affairs**

Major Global Issues  
Key Country Summaries

Board of Directors  
Public Policy Committee

December 8, 2015

# KEY COUNTRY SUMMARIES

## Financial and Operating Statistics

	Net PP&E & Equity Investment (12/31/2014) <sup>1</sup>		3-Year C&E (2015-2017)		Upstream Production OEG <sup>2</sup> (MBD, 2014)		Net Income (2014) <sup>3</sup>	
	<u>\$B</u>	<u>%</u>	<u>\$B</u>	<u>%</u>	<u>Net OEG</u>	<u>%</u>	<u>\$B</u>	<u>%</u>
1. United States	66.4	31.7	33.8	32.2	664	25.8	3.6	19.0
2. Australia	Redacted – Business Confidential (competitive financial information) (non-U.S.)							
3. Nigeria								
4. Angola								
5. Canada								
6. Kazakhstan								
7. Thailand								
8. Indonesia								
9. Brazil								
10. United Kingdom								
<i>All Other</i>								
<b>Total</b>								

1. Investment reflects Book Value (not Fair Value)
2. Production is expected to increase to 3.1 million oil-equivalent bbls per day in 2017; increase primarily driven by U.S. and Australia
3. Net Income includes interest and foreign exchange impacts, as well as operational earnings
4. The data contained in the chart and following one-pagers has not changed materially since the July 2015 update.

## United States

### Major Projects/Resource Plays

- Diverse upstream and downstream and chemical assets
- California Upstream - San Joaquin Valley (heavy oil resources)
- Gulf of Mexico (shelf and deepwater)
- West Texas / Colorado / SE New Mexico (shale and tight resources)
- Appalachian/Michigan (shale resources)

### Environment

The White House continues to drive an aggressive regulatory agenda designed to cement the President's climate change legacy. Congressional efforts to block President Obama's agenda remain hampered by partisanship. Following the 2016 elections, the House is expected to remain under Republican control, but the Republican Senate could change. The landscape is increasingly politicized on energy and climate issues. The Administration is focused on building momentum to secure a climate agreement, likely a framework, at the December 2015 United Nations (U.N.) summit. The U.N. climate agreement is not expected to impose legally binding greenhouse gas emission reduction targets on the U.S.

### Domestic Legislative/Regulatory Risk

The Administration continues to use existing regulatory tools to establish and embed a framework to address a suite of climate and environment issues, in particular through the Climate Action Plan (CAP), which includes regulations on power plants, the oil and gas sector, and the transportation sector. Various CAP initiatives are currently being, and will continue to be, heavily litigated. We expect additional regulatory activity as the Obama Administration moves to finalize and defend rulemakings before leaving office, laying groundwork that can accelerate or impede an incoming Administration's regulatory agenda.

Privileged - First Amendment

**Privileged - First Amendment**

### External Stakeholders/Shareholder Action

**Privileged – First Amendment**

### Geopolitical Risk

U.S. foreign policy continues to center on: (1) critical regional issues in the Middle East, including Afghanistan, Iraq, Syria, ISIS, and the refugee crisis; (2) Russian influence and actions in Ukraine and Syria; and (3) concerns with China's economy and political actions, including land reclamation activity in the South China Sea, cyber-attacks and domestic anti-corruption pursuits. All were key discussion topics during the official visit by President Xi to the U.S. in September 2015. The Obama Administration has also been focused on what they view as key legacy achievements, including implementing the Iran nuclear agreement, re-establishing ties with Cuba, and passage of the Trans-Pacific Partnership (TPP) trade agreement to cement the rebalance to Asia. Passage of TPP in 2016 remains uncertain due to opposition from various sectors.

### Revenue Transparency

The U.S. will submit its initial Extractive Industries Transparency Initiative (EITI) report in December 2015. The Securities and Exchange Commission is scheduled to release a new draft Dodd-Frank rule in December 2015 with plans to adopt a final rule in June 2016.

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**

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(non-U.S. operation risk analysis)**

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(non-U.S. operation risk analysis)**

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(non-U.S. operation risk analysis)**

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**

**Indonesia**

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**

## **Brazil**

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**

**Redacted – Business Confidential  
(non-U.S. operation risk analysis)**



# **Performance Summary**

**November 2015**

**CONFIDENTIAL**

### **Performance Summary Purpose and Notice Related to Selective Disclosure and Insider Trading**

This Performance Summary report is prepared to assist the company's "chief operating decision maker" (i.e., the company's Executive Committee) in monitoring the financial performance of the company's upstream and downstream "reportable segments" [terms as defined in FASB ASC 280 "Segment Reporting (ASC 280)"]. This report is also provided to the Board of Directors to assist in its oversight role in monitoring the financial results of the company's reportable segments.

This booklet contains highly confidential information concerning interim company earnings and other performance measurements and developments. This information will not be released publicly or further disseminated within the Chevron group. You are reminded that company policy requires you to use care to safeguard this information from unauthorized use or disclosure, and that you may not trade company stock on the basis of this information to the extent it is material to Chevron investors. Please refer to Chevron's Manual of Compliance Procedures and Guidelines and the Chevron Policy Manual for further information. Any employee who violates these provisions shall be subject to disciplinary action, up to and including discharge, and may also be subject to legal action. In addition, any individual who violates these provisions shall be subject to criminal or civil penalties under the provisions of Federal Securities laws.

# CHEVRON CORPORATION PERFORMANCE SUMMARY

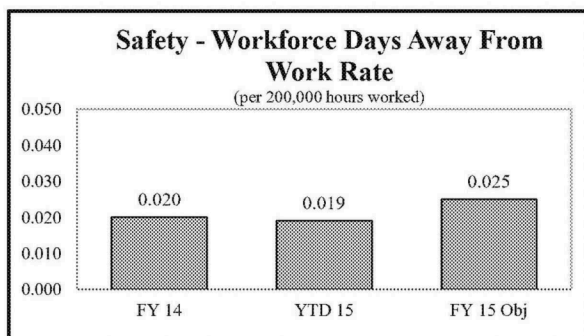
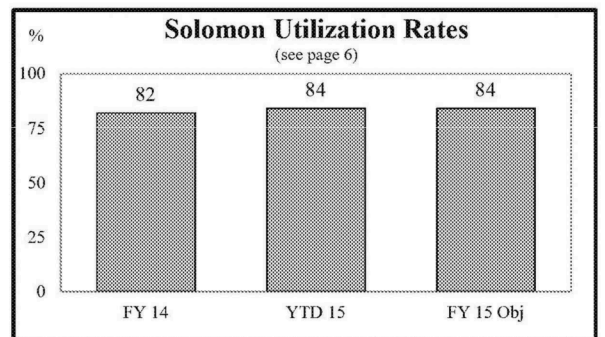
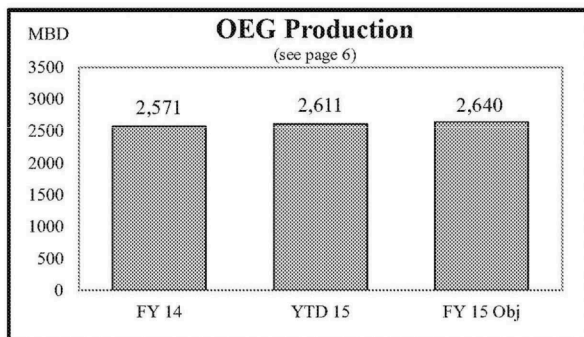
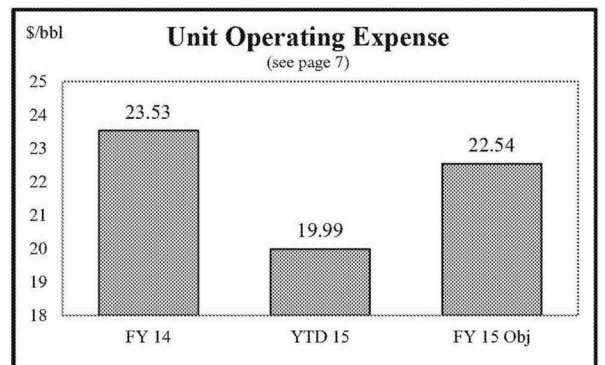
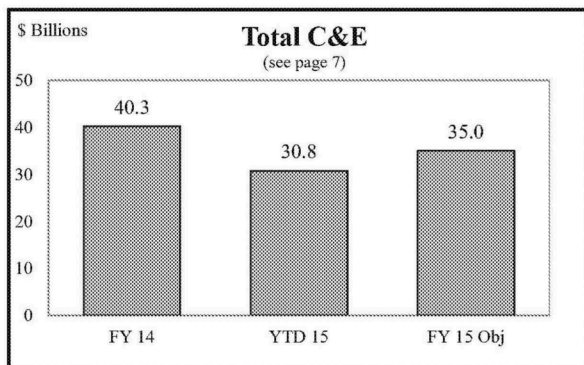
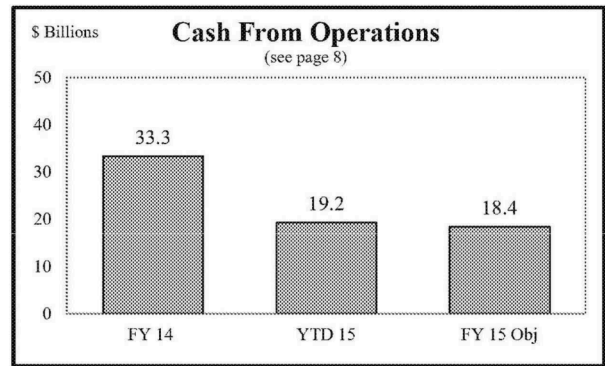
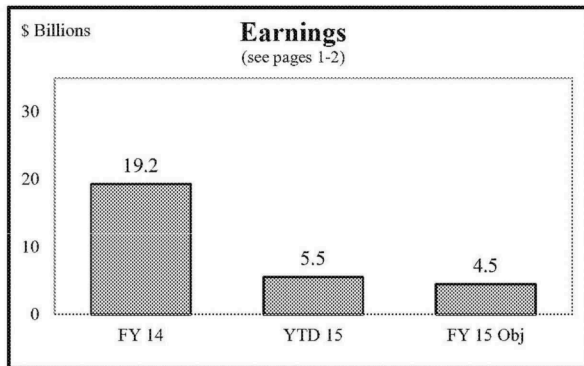
November 2015

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## Financial & Operational Summary – November 2015



## Earnings

<b>November 2015 Earnings</b>							
\$ Millions - After Tax							
	Sep 2015	Oct 2015	Nov 2015	Monthly Change	YTD 2015	2015 Obj	% of Objective
Upstream - U.S.	(321)	(124)	(529)	(405)	(2,754)	(1,239)	222
- International	(242)	160	339	179	1,999	4,006	50
<b>TOTAL UPSTREAM</b>	<b>(563)</b>	<b>36</b>	<b>(190)</b>	<b>(226)</b>	<b>(755)</b>	<b>2,767</b>	-
Downstream - U.S.	273	102	205	103	2,993	1,270	236
- International	466	97	308	211	4,309	2,052	210
<b>TOTAL DOWNSTREAM</b>	<b>739</b>	<b>199</b>	<b>513</b>	<b>314</b>	<b>7,302</b>	<b>3,322</b>	<b>220</b>
<b>ALL OTHER</b>	<b>(49)</b>	<b>(50)</b>	<b>(150)</b>	<b>(100)</b>	<b>(1,014)</b>	<b>(1,584)</b>	<b>64</b>
<b>TOTAL EARNINGS</b>	<b>127</b>	<b>185</b>	<b>173</b>	<b>(12)</b>	<b>5,533</b>	<b>4,505</b>	<b>123</b>
Basic Earnings Per Share	\$0.07	\$0.10	\$0.09	(\$0.01)	\$2.96	\$2.41	123
Diluted Earnings Per Share	\$0.07	\$0.10	\$0.09	(\$0.01)	\$2.95	\$2.39	123
<b>ROCE (%)<sup>1</sup></b>	<b>0.9</b>	<b>1.2</b>	<b>1.1</b>		<b>3.3</b>	<b>2.4</b>	
<b>Memo:</b>							
Impact of Asset Sales	9	18	73		2,325	1,401	

<sup>1</sup> Capital Employed equals the sum of stockholders' equity, total debt, and noncontrolling interests.

### NOVEMBER 2015 vs. OCTOBER 2015

Earnings fell \$12 MM in November on higher exploration expense and lower realizations. A favorable swing in foreign exchange effects, stronger Downstream margins, improved Trading results, and gains on asset sales, partially offset.

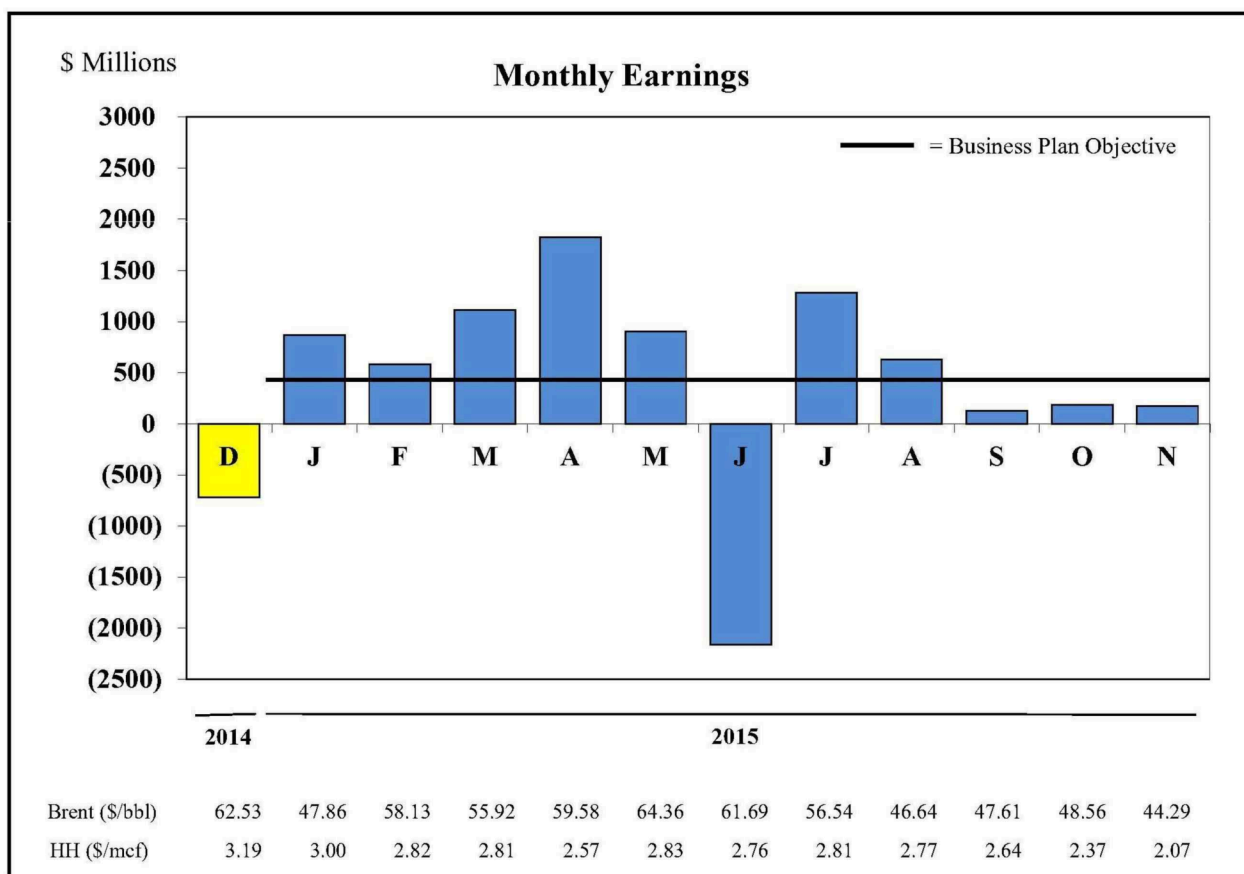
- **U.S. Upstream** earnings fell \$405 MM on higher exploration expense and weaker realizations.
- **International Upstream** earnings increased \$179 MM reflecting asset sale gains, favorable tax-related items, higher liftings, and positive foreign exchange effects. Lower realizations, partly offset.
- **U.S. Downstream** results rose \$103 MM on stronger margins, improved Trading and Chemicals results, and higher volumes.
- **International Downstream** climbed \$211 MM, reflecting strengthened margins, favorable foreign exchange impacts, and better Trading results. Lower volumes and increased operating expense, partly offset.
- **All Other** net charges grew \$100 MM between periods on net unfavorable tax-related impacts and lower cost recoveries of Service and Technology Companies.

### YTD 2015 vs. OBJECTIVE 2015

Year-to-date earnings were \$5,533 MM, or 123% of objective, reflecting lower operating expenses, stronger Downstream margins and asset sale impacts, and foreign exchange benefits. Below-Plan realizations and Upstream asset impairments, partly offset.

- **U.S. Upstream** losses of \$2,754 MM were 222% of Objective on weaker realizations, multiple asset impairments, and higher exploration expense. Lower operating expense, partly offset.
- **International Upstream** earnings of \$1,999 MM were 50% of Objective, as the effect of below-Plan realizations, several asset impairments, and unfavorable tax-related impacts more than offset below-Plan operating expense and favorable foreign exchange effects.
- **U.S. Downstream** earnings of \$2,993 MM were 236% of Objective on higher realized margins, lower operating expense, and stronger Trading results.
- **International Downstream** earnings of \$4,309 MM were 210% of Objective reflecting higher gains on asset sales, stronger realized margins, and lower operating expense. Weaker volumes, partly offset.
- **All Other** net charges of \$1,014 MM were 64% of Objective.

## Summary of Monthly Earnings



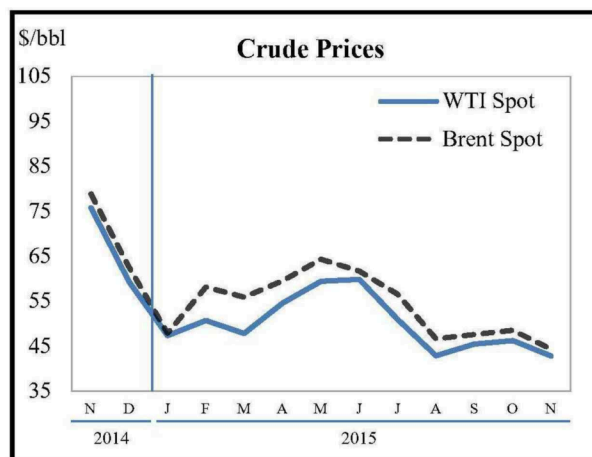
Monthly Earnings													
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD
\$ Millions	2014	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
U.S. Upstream	(255)	(68)	(121)	(271)	(111)	(108)	(818)	(82)	(199)	(321)	(124)	(529)	(2,754)
Int'l Upstream	(253)	626	569	825	39	372	(1,594)	509	394	(242)	160	339	1,999
<b>TOTAL UPSTREAM</b>	<b>(508)</b>	<b>558</b>	<b>448</b>	<b>554</b>	<b>(72)</b>	<b>264</b>	<b>(2,412)</b>	<b>427</b>	<b>195</b>	<b>(563)</b>	<b>36</b>	<b>(190)</b>	<b>(755)</b>
U.S. Downstream	309	214	159	332	252	370	109	575	402	273	102	205	2,993
Int'l Downstream	(51)	224	37	457	1,722	351	151	388	107	466	97	308	4,309
<b>TOTAL DOWNSTREAM</b>	<b>258</b>	<b>438</b>	<b>196</b>	<b>789</b>	<b>1,974</b>	<b>721</b>	<b>260</b>	<b>963</b>	<b>509</b>	<b>739</b>	<b>199</b>	<b>513</b>	<b>7,302</b>
<b>ALL OTHER</b>	<b>(471)</b>	<b>(125)</b>	<b>(63)</b>	<b>(227)</b>	<b>(74)</b>	<b>(82)</b>	<b>(8)</b>	<b>(108)</b>	<b>(75)</b>	<b>(49)</b>	<b>(50)</b>	<b>(150)</b>	<b>(1,014)</b>
<b>TOTAL EARNINGS</b>	<b>(721)</b>	<b>871</b>	<b>581</b>	<b>1,116</b>	<b>1,828</b>	<b>903</b>	<b>(2,160)</b>	<b>1,282</b>	<b>629</b>	<b>127</b>	<b>185</b>	<b>173</b>	<b>5,533</b>

## Prices

	Sep	Oct	Nov	Mo/Mo Chg	Year-to-Date		2015 Obj	% of Obj
					2014	2015		
Brent Spot (\$/bbl)	47.61	48.56	44.29	(4.27)	102.22	53.73	60.00	90
WTI Spot (\$/bbl)	45.46	46.26	42.79	(3.47)	96.13	49.87	57.00	87
Henry Hub Spot (\$/MCF)	2.64	2.37	2.07	(0.30)	4.40	2.70	3.75	72
U.S. Upstream Gas Sales Price (\$/MCF)	1.88	1.73	1.42	(0.31)	3.93	1.96	3.30	59

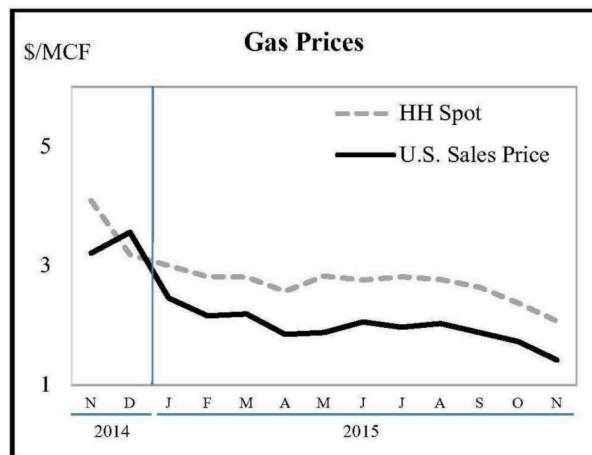
### CRUDE PRICES

- Average Brent was down \$4.27/bbl in November, settling to \$44.29/bbl. Global inventories continued to build as the world's largest oil producers, Saudi Arabia and Russia, produced at near record levels. OECD oil stocks expanded to approximately 3.0 billion barrels – levels not seen since the global recession of 2008.
- In the U.S., rising U.S. crude inventory levels on the back of higher imports and a strong U.S. dollar continued to pressure price. WTI fell an average \$3.47/bbl and the WTI-Brent spread narrowed to \$1.50/bbl.
- At the end of November, Cushing and U.S. crude inventories were approximately 68% and 33% above their respective five-year averages.
- Through December 11<sup>th</sup>, MTD average Brent was down \$2.90/bbl, while WTI prices fell \$4.17/bbl.



### NATURAL GAS PRICES

- The average spot price for Henry Hub fell \$0.30/MCF in November to \$2.07/MCF.
- Gas prices remained influenced by historically high storage levels as U.S. inventories achieved a record 4 TCF. While levels receded by November 27<sup>th</sup> they were 16% higher from the prior year and 7% above the five-year average.
- The Henry Hub Bid-Week price was \$2.21/MCF in December, up from \$2.06/MCF in November.
- Through December 11<sup>th</sup>, MTD average Henry Hub spot prices were \$2.02/MCF, down \$0.05/MCF from November.

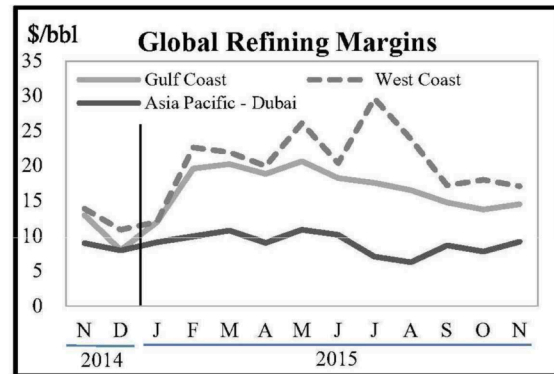


## Downstream Margins

### GLOBAL REFINING MARGINS<sup>1</sup>

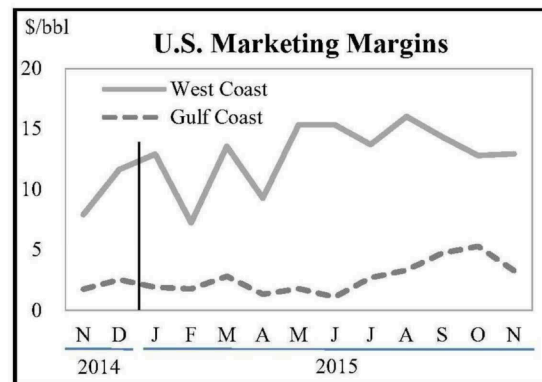
- The **Gulf Coast refining margin** increased \$0.77/bbl to \$14.50/bbl in November, as gasoline and distillate prices fell slower than crude reinforced by stronger demand.
- The **West Coast refining margin** decreased \$0.91/bbl to \$17.08/bbl in November, as gasoline prices fell faster than crude on growing supply.
- The **Asia Pacific refining margin** rose \$1.40/bbl to \$9.19/bbl in November, led by gas and fuel oil on stronger demand supported by cold weather.

<sup>1</sup> U.S. regional refining indicator margins are used for internal purposes to estimate margin potential using market prices and planned refinery input and output volumes.



### U.S. MARKETING MARGINS

- The **West Coast marketing margin** was relatively flat, up \$0.14/bbl to \$12.95/bbl in November.
- The **Gulf Coast marketing margin** decreased \$2.01/bbl to \$3.29/bbl in November, as broader market volatility drove selling prices to fall faster than spot prices.



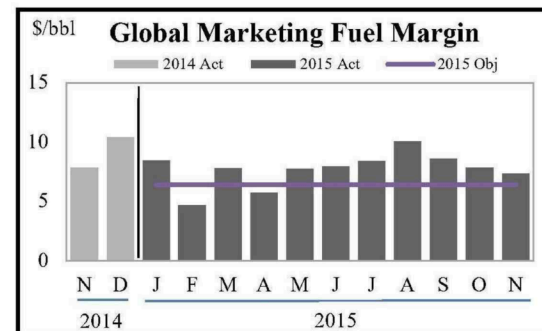
### INTERNATIONAL MARKETING MARGINS

- The **Asia Pacific marketing margin** fell \$1.16/bbl to \$9.43/bbl in November on competitive pricing.
- The **Latin America marketing margin** was down \$0.15/bbl to \$6.99/bbl in November mainly on lower LPG product prices in Panama.



### GLOBAL MARKETING FUEL MARGIN

- The realized Global Marketing Fuel Margin fell to \$7.32/bbl in November, \$0.90/bbl above the 2015 Objective of \$6.42/bbl.
- The Global Marketing Fuel Margin is the gross margin realized on petroleum product sales. It excludes non-fuel sources and represents a worldwide average based on the weighted average of sales in each region.



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## Volumes & Capacity Utilization

### NET OEG PRODUCTION

U.S. OEG production increased 2 MBD between months on new production in the MidContinent. Planned and unplanned downtime in the Gulf of Mexico and field declines in Appalachian/Michigan, partly offset.

Year-to-date OEG production was 37 MBD above Objective on strong well performance in the Gulf of Mexico and San Joaquin Valley and production timing differences.

**International** OEG production rose 144 MBD between months reflecting the absence of planned and unplanned downtime – primarily at Kazakhstan and Canada, and favorable net PSC-related impacts. The absence of a favorable arbitration award in China, partly offset.

Year-to-date OEG production was 66 MBD below Objective driven by unplanned downtime in the Partitioned Zone, Brazil, and Argentina. Delays in new production volumes from project start-ups and ramp-ups in multiple locations also contributed. The timing of planned asset sales, partly offset.

#### Net OEG Production

				% of
(MBD)	Oct	Nov	YTD	Obj
U.S.	725	727	721	105
International				
Angola	122	120	119	92
Argentina	28	26	27	77
Australia	93	100	93	98
Azerbaijan	35	42	34	103
Bangladesh	124	122	122	101
Brazil	16	17	18	53
Canada	55	85	68	96
China	62	20	24	141
Colombia	26	25	27	104
Denmark	25	24	24	104
Indonesia	201	226	203	101
Kazakhstan	337	426	388	100
Nigeria	271	275	271	99
Philippines	27	26	23	96
Middle East (PZ)	-	-	30	42
Thailand	237	254	238	97
Trinidad	15	20	19	68
U.K.	72	73	59	105
Venezuela	62	62	64	98
Other	32	41	39	217
Total International	1,840	1,984	1,890	97
<b>Total OEG Production</b>	<b>2,565</b>	<b>2,711</b>	<b>2,611</b>	<b>99</b>

### TOTAL REFINED PRODUCT SALES

U.S. refined product sales fell 12 MBD between months led by gasoline on an unplanned Continuous Catalytic Reformer shutdown at Pascagoula and lower Gulf and West Coast retail.

**International refined product sales** rose 24 MBD between months on higher gas oil demand in Thailand and Singapore. Increased fuel oil sales in South Africa also contributed.

**Trading refined product sales** increased 37 MBD between months on higher fuel oil opportunities in Asia and improved 3<sup>rd</sup> party jet fuel sales.

Total Refined Product Sales				% of
MBD	Oct	Nov	YTD	Obj
U.S.				
Mogas	630	612	623	102
Jet fuel	231	240	229	115
Gas oil	194	188	192	92
Fuel oil	17	19	17	131
Other	98	99	101	105
U.S. Total <sup>1</sup>	1,170	1,158	1,162	103
International				
Mogas	201	190	198	101
Jet fuel	122	124	124	104
Gas oil	204	217	216	97
Fuel oil	20	33	28	108
Other	69	67	66	89
Affiliates	400	409	419	84
International Total <sup>1</sup>	1,016	1,040	1,051	92
<b>Trading</b>	<b>488</b>	<b>525</b>	<b>525</b>	<b>89</b>

<sup>1</sup> Excludes Trading.

### SOLOMON UTILIZATION RATES

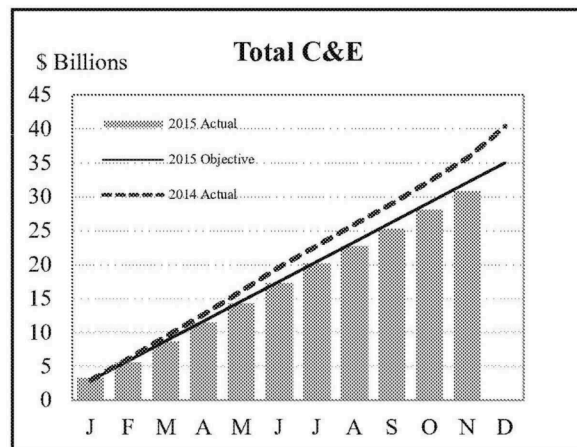
Utilization declined at Cape Town as a result of several short-term unplanned shutdowns.

Solomon Utilization Rates				
%	Oct	Nov	YTD	% of Obj
Richmond	59	64	82	103
El Segundo	89	83	84	105
Pascagoula	81	83	80	98
Cape Town	83	71	68	91
Star Petroleum	96	95	95	102
Singapore Refining	61	59	83	97
GSC-Caltex	90	90	90	100
Global Refining	81	81	84	100

## Capital & Exploratory Expenditures and Operating Expense

### C&E EXPENDITURES

- Worldwide November year-to-date capital and exploratory expenditures (including affiliates) of \$30,790 MM were 88% of the full-year Objective. Cash capital and exploratory expenditures of \$27,775 MM were 89% of full-year Plan.



- The pace of total spending remained below Plan across all business segments and affiliates (non-cash spend).

C&E					
\$ Millions	Oct	Nov	YTD 2015	2015 Obj	% of Obj
Upstream	2,549	2,478	28,370	31,649	90
Downstream	205	194	2,079	2,806	74
Other	35	57	341	566	60
<b>Total C&amp;E</b>	<b>2,789</b>	<b>2,729</b>	<b>30,790</b>	<b>35,021</b>	<b>88</b>
Affiliates	282	277	3,015	3,976	76
<b>Cash C&amp;E</b>	<b>2,507</b>	<b>2,452</b>	<b>27,775</b>	<b>31,045</b>	<b>89</b>

### OPERATING EXPENSE

- November year-to-date unit operating expense was \$19.99/bbl, \$2.55/bbl below Objective.
- Absolute dollars were \$3,380 MM below ratable Objective, primarily reflecting lower spending in Upstream.
- Volumes were 4 MMbbls above Plan on higher volumes in Downstream. Lower volumes in Upstream, partly offset.

Operating Expense					
	YTD 2015		FY 2015 Obj		% of SMM
	SMM	\$/bbl	SMM	\$/bbl	Obj
<b>Upstream</b>	<b>13,572</b>	<b>18.29</b>	<b>17,208</b>	<b>21.07</b>	<b>79</b>
North America	5,018	18.91	6,318	22.75	79
Asia Pacific	3,656	15.15	4,603	17.43	79
Europe, Eurasia, Middle East	1,523	22.39	1,852	21.34	82
Africa, Latin America	2,839	16.97	3,596	19.09	79
<b>Downstream &amp; Chemicals</b>	<b>10,297</b>	<b>17.19</b>	<b>11,783</b>	<b>18.30</b>	<b>87</b>
Americas Products	6,609	-	7,307	-	90
International Products	1,820	-	2,105	-	86
Other	1,868	-	2,371	-	79
<b>Gas and Midstream<sup>1</sup></b>	<b>2,594</b>	<b>-</b>	<b>2,675</b>	<b>-</b>	<b>97</b>
<b>Other</b>	<b>343</b>	<b>-</b>	<b>1,264</b>	<b>-</b>	<b>-</b>
<b>Total OPEX</b>	<b>26,806</b>	<b>19.99</b>	<b>32,930</b>	<b>22.54</b>	<b>81</b>

<sup>1</sup> Excludes Trading

## Cash Flow & Debt

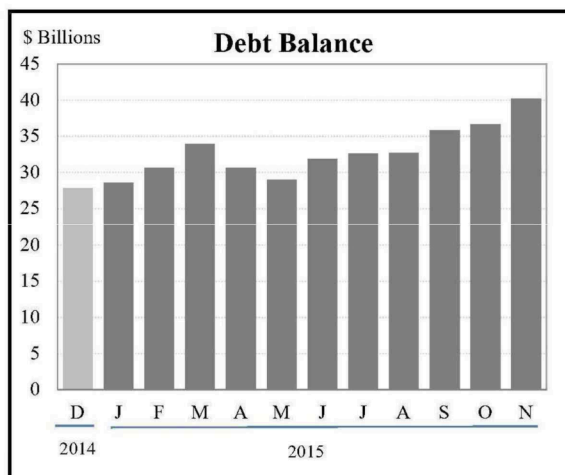
### CASH FLOW

- November year-to-date **Cash from Operations** was \$19.2 billion.
- Working Capital/Other** consumed \$4.9 billion reflecting lower accounts and taxes payable and accrued liabilities, and an increase in inventory. A reduction in accounts receivable and prepaid & other short term assets, partly offset.
- Uses of cash** through November totaled \$33.8 billion with cash C&E expenditures of \$27.8 billion and dividend payments of \$6.0 billion. There were no share repurchases in the period.
- Cash flow** through November consumed \$9.0 billion. Debt balances rose by 12.4 billion, while the cash balance increased by \$3.4 billion.

Cash Flow			
	Year	Year	2015
\$ Billions	2014	2015	Obj
<b>Earnings</b>	<b>19.2</b>	<b>5.5</b>	<b>4.5</b>
DD&A	16.8	18.6	18.1
Working Capital/Other	(2.7)	(4.9)	(4.2)
<b>Cash from Operations</b>	<b>33.3</b>	<b>19.2</b>	<b>18.4</b>
Asset Sales Proceeds	5.7	5.6	6.0
<b>Available Cash</b>	<b>39.0</b>	<b>24.8</b>	<b>24.4</b>
Cash C&E Spending	(36.8)	(27.8)	(31.0)
Dividends	(7.9)	(6.0)	(8.1)
Share Repurchases	(5.0)	0.0	0.0
<b>Uses of Cash</b>	<b>(49.7)</b>	<b>(33.8)</b>	<b>(39.1)</b>
<b>Total Cash Flow</b>	<b>(10.7)</b>	<b>(9.0)</b>	<b>(14.7)</b>
Change in Debt	7.4	12.4	10.0
<b>Net Change in Cash</b>	<b>(3.3)</b>	<b>3.4</b>	<b>(4.7)</b>
Cash Balance	13.2	16.6	8.5
Debt Balance	27.8	40.2	37.7

### DEBT

- Debt balances** of \$40.2 billion at the end of November were up \$12.4 billion from December 2014.
- Commercial Paper debt** increased \$1.4 billion to \$9.9 billion.
- The **debt ratio** rose 5.6% from December 2014 to 20.8%.



Debt Components			
\$ Billions	12/31/14	11/30/15	Change
Commercial Paper	8.5	9.9	1.4
Current Portion L/T	0.0	1.5	1.5
Other S/T	0.0	0.0	0.0
Tax Exempt Bonds	3.2	3.2	0.0
L/T Debt	16.1	25.6	9.5
<b>Total Debt</b>	<b>27.8</b>	<b>40.2</b>	<b>12.4</b>
Debt Ratio %	15.2	20.8	5.6

## Balance Sheet Comparison

### Chevron Corporation Consolidated Balance Sheet (\$ Millions)

	December 31, 2014	November 30, 2015 (unaudited)	Change
<b>Assets</b>			
Cash and Cash Equivalents	12,785	16,317	3,532
Time Deposits	8	-	(8)
Marketable Securities	422	315	(107)
Accounts and Notes Receivable	16,736	14,270	(2,466)
Inventories	6,505	6,798	293
Prepaid Expense & Other Current Assets	5,776	4,605	(1,171)
<b>Total Current Assets</b>	<b>42,232</b>	<b>42,305</b>	<b>73</b>
Long-Term Receivables	2,817	2,456	(361)
Investments and Advances	26,912	26,887	(25)
Properties, Plant and Equipment, At Cost	327,289	344,742	17,453
Accumulated DD&A	(144,116)	(155,466)	(11,350)
Net Properties, Plant and Equipment	183,173	189,276	6,103
Goodwill	4,593	4,588	(5)
Deferred Charges and Other Assets	6,299	7,105	806
Assets Held for Sale	-	898	898
<b>Total Assets</b>	<b>266,026</b>	<b>273,515</b>	<b>7,489</b>
<b>Liabilities and Equity</b>			
Short-term Debt	3,790	6,615	2,825
Accounts Payable	19,000	14,913	(4,087)
Accrued Liabilities	5,328	7,069	1,741
Federal and Other Taxes on Income	2,575	2,067	(508)
Other Taxes Payable	1,233	1,150	(83)
<b>Total Current Liabilities</b>	<b>31,926</b>	<b>31,814</b>	<b>(112)</b>
Long-term Debt	23,960	33,510	9,550
Capital Lease Obligations	68	80	12
Deferred Credits & Other L-T Obligations	23,549	23,567	18
Deferred Income Taxes	21,920	21,828	(92)
Reserves For Employee Benefit Plans	8,412	8,117	(295)
<b>Total Liabilities</b>	<b>109,835</b>	<b>118,916</b>	<b>9,081</b>
Common Stock	1,832	1,832	-
Capital in Excess of Par Value	16,041	16,302	261
Retained Earnings	184,987	182,525	(2,462)
Accumulated Other Comprehensive Loss	(4,859)	(4,423)	436
Deferred Compensation and Benefit Plan Trust	(240)	(240)	-
Treasury Stock	(42,733)	(42,502)	231
<b>Total Chevron Corporation Stockholders' Equity</b>	<b>155,028</b>	<b>153,494</b>	<b>(1,534)</b>
Noncontrolling Interests	1,163	1,105	(58)
<b>Total Equity</b>	<b>156,191</b>	<b>154,599</b>	<b>(1,592)</b>
<b>Total Liabilities and Equity</b>	<b>266,026</b>	<b>273,515</b>	<b>7,489</b>

## **Balance Sheet Commentary**

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**NOVEMBER 30, 2015 vs. DECEMBER 31, 2014**

### **ASSETS**

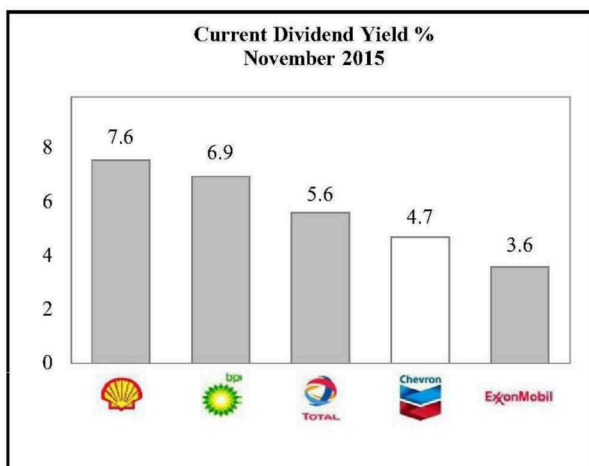
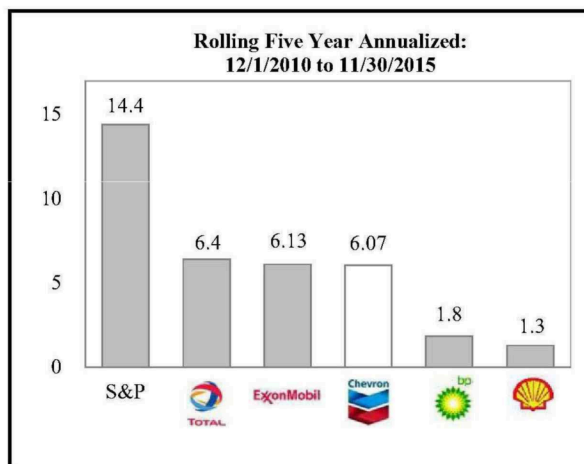
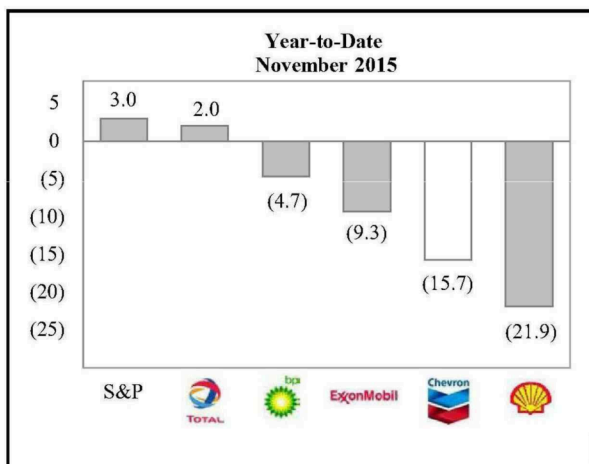
- **Current Assets** increased \$73 MM from December 2014 on increased cash and cash equivalents and inventories. Decreased accounts and notes receivable, prepaid expense & other current assets, and marketable securities, partly offset.
- **Non-Current Assets** rose \$7,416 MM from December 2014. Net property, plant and equipment rose in-line with current year capital and exploratory expenditures.

### **LIABILITIES & EQUITY**

- **Current Liabilities** were \$112 MM lower than December 2014 on reduced accounts payable and federal and other taxes on income. Increased short term debt and accrued liabilities, partly offset.
- **Non-Current Liabilities** were up \$9,193 MM compared to December 2014 driven by higher long-term debt. Reserves for employee benefit plans, partly offset.
- **Total Equity** decreased \$1,592 MM from December 2014 reflecting dividends of \$8.0 billion, partly offset by net income of \$5.5 billion.

## Shareholder Returns & Stock Prices

### TOTAL SHAREHOLDER RETURN %



**Dividends and Cash Flow from Operations (\$ Millions)**

	Dividends 3Q15 Actuals	Cash Flow from Operations 3Q15 Actuals	Div. as a % of Cash Flow from Operations
Chevron	1,999	5,360	37
BP <sup>1</sup>	1,835	5,183	35
ExxonMobil	3,039	9,174	33
RD Shell <sup>1</sup>	2,984	11,231	27
Total <sup>1</sup>	1,591	5,989	27

<sup>1</sup> Includes 3Q15 cash equivalent proxy of scrip dividends paid in lieu of cash dividends for BP (0.1B), RDS (0.6B), and TOT (0.9B).

### Stock Prices and Dividends

Company	52-week Intraday Stock Prices as of 11/30/2015				Dividends				
	High	Low	Close	Fwd P/E <sup>2</sup>	Current Dividend	Yield % <sup>3</sup> at 11/30	Last Change Period % Action <sup>4</sup>	5-yr Div CAGR	
Chevron	114.82	69.58	91.32	24.5	1.07	4.7	2Q 14 7.0	8.2	
BP	43.85	29.35	34.60	17.5	0.60	6.9	4Q 14 2.6	n/a <sup>5</sup>	
ExxonMobil	95.33	66.55	81.66	21.3	0.73	3.6	2Q 15 5.8	10.7	
RD Shell	69.50	45.81	49.76	11.6	0.94	7.6	2Q 14 4.4	2.3	
Total	57.78	40.93	49.45	13.9	0.69	5.6	2Q 14 3.4	(0.1)	
S&P 500	2,134.72	1,867.01	2,080.41	16.7	-	2.1	- -	13.8	

<sup>2</sup> Trailing 20-day average closing price divided by ThomsonOne consensus EPS estimate for FY2016.

<sup>3</sup> Current quarter per-share dividend rate (annualized) as a % of month-end price.

<sup>4</sup> TOT's Dividend "% Action" based on announcement in euros, all others in USD. TOT's % Action on USD basis is (15.4)% due to FX.

<sup>5</sup> BP did not pay a dividend from 2Q10-4Q10 following the Macondo incident, so a 5-yr CAGR will not be available again until 1Q16.

INSTITUTIONAL HOLDINGS SUMMARY

Chevron Institutional Holdings Summary

TOP 20 INSTITUTIONAL HOLDERS OF CVX

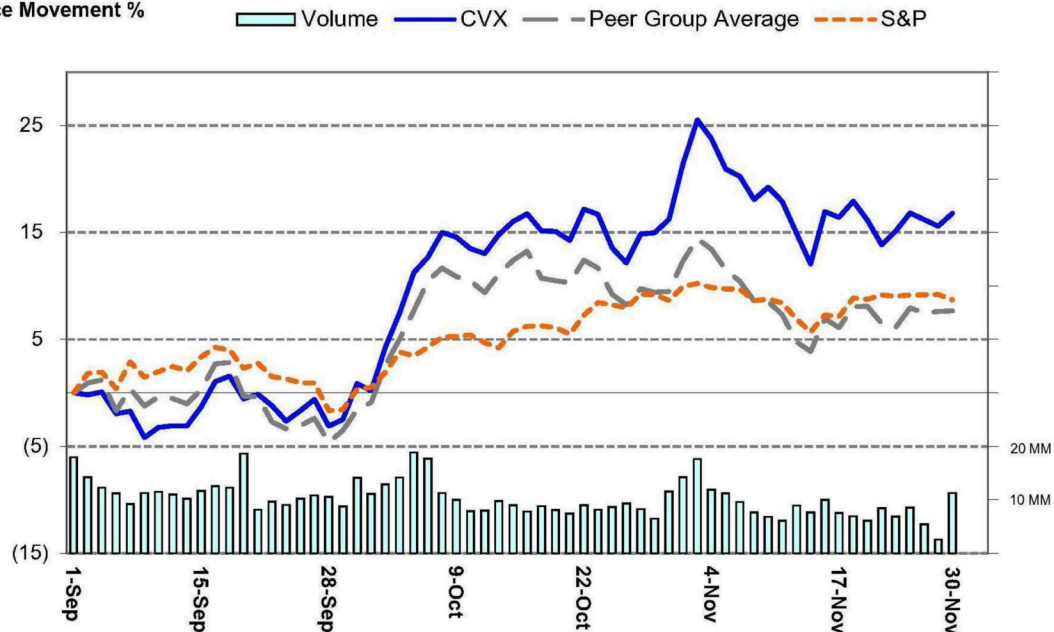
(shares in 000's)	CVX Shareholdings Summary					# of Shares		Fund Type
	9/30/2015			Shares Variance				
	# (000's)	\$MM	% Owned	Q-o-Q	Y-o-Y	Purchased	@ 9/30/15	
1 The Vanguard Group, Inc.	115,088	\$ 9,078	6.1%	1,597	12,492	6,693	7,107	Deep Value
2 State Street Global Advisors (US)	105,206	\$ 8,299	5.6%	1,916	3,006	5,000	11,680	GARP
3 BlackRock Institutional Trust Co., N.A.	78,551	\$ 6,196	4.2%	584	2,486	4,848	52,637	Core Value
4 Wellington Management Company, LLP	52,637	\$ 4,152	2.8%	4,848	3,783	3,681	17,837	Income Value
5 Fidelity Management & Research Co.	45,365	\$ 3,578	2.4%	(1,857)	1,999	2,931	36,970	Core Value
6 Capital World Investors	36,970	\$ 2,916	2.0%	2,931	8,290	1,955	4,817	Core Value
7 Franklin Advisers, Inc.	17,837	\$ 1,407	1.0%	3,681	6,566	1,916	105,206	Index
8 State Farm Insurance Companies	16,281	\$ 1,284	0.9%	-	-	1,893	1,899	Core Growth
9 Northern Trust Investments, Inc.	16,111	\$ 1,271	0.9%	(315)	(714)	1,597	115,088	Index
10 Norges Bank Investment Mgt. (NBIM)	15,460	\$ 1,734	0.8%	-	193	1,263	2,115	Broker-Dealer
11 Geode Capital Management, L.L.C.	15,393	\$ 1,214	0.8%	48	989			
12 Mellon Capital Management Corporation	14,570	\$ 1,149	0.8%	(842)	(985)			
13 Dimensional Fund Advisors, L.P.	13,774	\$ 1,087	0.7%	(122)	1,581			
14 T. Rowe Price Associates, Inc.	11,966	\$ 944	0.6%	(403)	(4,407)			
15 JP Morgan Asset Management	11,680	\$ 921	0.6%	5,000	(3,468)			
16 TIAA-CREF	11,402	\$ 899	0.6%	(755)	(3,181)			
17 Morgan Stanley Wealth Management	11,259	\$ 888	0.6%	(1,398)	(40)			
18 Bank of America Merrill Lynch (US)	11,030	\$ 870	0.6%	408	(1,326)			
19 Columbia Threadneedle Investments (US)	9,919	\$ 782	0.5%	(118)	(3,401)			
20 Legal & General Investment Mgt Ltd.	9,312	\$ 735	0.5%	372	691			
TOTAL	619,813	\$ 49,406	33.0%	15,576	24,555			

Top 10 Buyers (shares in 000's)		# of Shares		Fund Type
		Purchased	@ 9/30/15	
1	Institutional Capital, LLC	6,693	7,107	Deep Value
2	JP Morgan Asset Management	5,000	11,680	GARP
3	Wellington Management Company, LLP	4,848	52,637	Core Value
4	Franklin Advisers, Inc.	3,681	17,837	Income Value
5	Capital World Investors	2,931	36,970	Core Value
6	Templeton Investment Counsel, L.L.C.	1,955	4,817	Core Value
7	State Street Global Advisors (US)	1,916	105,206	Index
8	Pioneer Investment Management, Inc.	1,893	1,899	Core Growth
9	The Vanguard Group, Inc.	1,597	115,088	Index
10	BNP Paribas Securities Corp. N.A.	1,263	2,115	Broker-Dealer

Top 10 Sellers (shares in 000's)		# of Shares		Fund Type
		Sold	@ 9/30/15	
1	Dodge & Cox	(10,738)	654	Deep Value
2	BlackRock Investment Mgt. (UK) Ltd.	(2,516)	8,356	Core Growth
3	ClearBridge Investments, LLC	(2,389)	3,376	GARP
4	Deutsche Asset Management Americas	(2,174)	1,316	Core Growth
5	Fidelity Management & Research Co.	(1,857)	45,365	GARP
6	Morgan Stanley Wealth Management	(1,398)	11,259	Core Growth
7	Morgan Stanley & Co. LLC	(1,139)	668	Broker-Dealer
8	Bahl & Gaynor Investment Counsel, Inc.	(1,078)	386	Core Growth
9	ClearBridge, LLC	(909)	-	Core Growth
10	Fisher Investments	(908)	2,624	Core Value

Source: ThomsonOne, as of November 19, 2015

Price Movement %



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