

Regular Meeting of the Board of Directors  
of  
Chevron Corporation  
Wednesday, January 25, 2017

A regular meeting of the Board of Directors of Chevron Corporation was held at the office of the Corporation in San Ramon, California, on January 25, 2017, at 7:00 a.m. PT.

Present Directors:

Wanda M. Austin  
Linnet F. Deily  
Robert E. Denham  
Alice P. Gast \*  
Enrique Hernandez, Jr. \*  
Jon M. Huntsman Jr.  
Charles W. Moorman IV  
Dambisa F. Moyo  
Ronald D. Sugar  
Inge G. Thulin  
John S. Watson

Absent Directors:

None

\* By teleconference

Hew Pate and Mary Francis were also present.

The meeting was called to order by the Chairman of the Board, John Watson. He thanked the Directors for their participation in the prior evening's dinner. Mr. Watson then previewed the meeting agenda, highlighted several of the preread materials, and responded to questions.

The minutes of the regular meeting of the Board held on December 7, 2016 were reviewed and, on motion duly seconded, approved.

On motion duly seconded, the Board unanimously adopted the following resolution:

**RESOLVED:** That Beth A. Claar is hereby elected to the position of Assistant Treasurer of this Corporation, effective February 1, 2017.

Wick Moorman reported on the January 24, 2017, meeting of the Audit Committee. He reviewed the significant items of business discussed during the meeting, including fourth quarter and 2016 earnings and accompanying press release, the Corporation's compliance program and investigations, a litigation update provided by Mr. Pate, the resolution of an SEC comment letter, and the Committee's annual self-evaluation.

Ron Sugar reported on the January 24, 2017, meeting of the Board Nominating and Governance Committee. He reviewed the significant items of business discussed during the meeting, including the results of the 2016 Board and Board Committee Performance Evaluation and the

Committee's annual self-evaluation. Dr. Sugar indicated there would be a more robust discussion of the Board evaluation in executive session.

Dr. Sugar also reported that the Committee reviewed and approved changes to the Expense Reimbursement Guidelines for Non-Employee Directors, primarily to update them to reflect the Office of the Corporate Secretary as responsible for assisting Directors with travel and lodging for Board functions and to clarify that Directors should comply with Policy 585—Travel Policy and Principles if booking travel without the Corporation's assistance. He noted that Policy 585 and the revised Guidelines are on Diligent Boards under the Resource Center section.

Dr. Sugar reported that the Management Compensation Committee, at its December meeting, reviewed and recommended changes to the stock ownership guidelines for management. The recommendation is to amend the Corporate Governance Guidelines to increase the ownership multiple for the CEO from five times base salary to six times base salary and to amend the Board of Directors Policy Statement - Stock Ownership Guidelines for Management to simplify the language regarding what equity counts toward the ownership level and to require Named Executive Officers to hold shares acquired under the Long Term Incentive Plan of Chevron Corporation ("LTIP") until meeting the ownership guidelines. Dr. Sugar noted that the Board Nominating and Governance Committee concurs with the Management Compensation Committee's recommendations.

Upon recommendation of the Committees, on motion duly seconded, the Board unanimously adopted the following resolutions:

**RESOLVED:** That the Chevron Corporation Corporate Governance Guidelines shall be, and hereby are, amended and restated as follows:

## **"CHEVRON CORPORATION CORPORATE GOVERNANCE GUIDELINES**

These guidelines have been approved by the Chevron Board of Directors. The guidelines, in conjunction with the Restated Certificate of Incorporation, By-Laws and Board Committee charters, form the framework for governance of the Corporation.

### **Role of the Board of Directors**

The Board of Directors oversees and provides policy guidance on the business and affairs of the Corporation. It monitors overall corporate performance, the integrity of the Corporation's financial controls and the effectiveness of its legal compliance and enterprise risk management programs. The Board oversees management and plans for the succession of key executives. The Board oversees the Corporation's strategic and business planning process. This is generally a year-round process culminating in full meeting Board reviews of the Corporation's updated Corporate Strategic Plan, its business plan, the next year's capital expenditures budget plus key financial and supplemental objectives.

## **Board Membership Criteria**

Directors should have the highest professional and personal ethics and values, consistent with The Chevron Way, and a commitment to building stockholder value. They should have business acumen and broad experience and expertise at the policy-making level in one or more of the areas of particular consideration below and should be able to provide insights and practical wisdom based on their experience or expertise. They should have sufficient time to effectively carry out their duties.

The Board Nominating and Governance Committee regularly reviews the appropriate skills and characteristics required of Directors in the context of the current composition of the Board, the operating requirements of the Corporation and the long-term interests of stockholders. In conducting this assessment, the Committee particularly considers leadership experience in business as a chief executive officer, senior executive or leader of significant business operations; expertise in science, technology, engineering, research, or academia; extensive knowledge of governmental, regulatory, legal, or public policy issues; expertise in finance, financial disclosure, or financial accounting; global business or international affairs experience; environmental experience; public company board service; and diversity of age, gender, ethnicity, and such other factors as it deems appropriate given the current needs of the Board and the Corporation, to maintain a balance of knowledge, experience, background, and capability.

## **Director Independence**

A majority of the Board consists of independent Directors, as defined by the New York Stock Exchange. To be considered “independent,” a Director must be determined by the Board, after recommendation by the Board Nominating and Governance Committee and after due deliberation, to have no material relationship with the Company other than as a Director. In making its determination concerning the absence of a material relationship, the Board adheres to all of the specific tests for independence included in the New York Stock Exchange listing standards. In addition, the Board has determined that the following relationships of Chevron Directors occurring within the last fiscal year are categorically immaterial if the relevant transactions are conducted in the ordinary course of business:

- **Director of another entity** if business transactions in the most recent fiscal year between Chevron and that entity do not exceed \$5 million or five percent of the receiving entity’s consolidated gross revenues for that year, whichever is greater.
- **Director of another entity** if Chevron’s discretionary charitable contributions in the most recent fiscal year to that entity do not exceed \$1 million or two percent of that entity’s gross revenues for that year, whichever is greater, and if the charitable contributions are consistent with Chevron’s philanthropic practices.
- A relationship arising solely from a Director’s ownership of an equity or limited partnership interest in a party that engages in a transaction with Chevron, so long as the Director’s ownership interest does not exceed two percent of the total equity or partnership interest in that other party.

### **Board Size**

The By-Laws provide that the number of Directors is determined by the Board. The Board's size is assessed at least annually by the Board Nominating and Governance Committee and changes are recommended to the Board when appropriate. If any nominee is unable to serve as a Director, the Board may reduce the number of Directors or choose a substitute.

### **Term of Office**

Directors serve for a one-year term and until their successors are elected.

### **Election of Directors**

As provided in Chevron's By-Laws, candidates for Directors are elected annually by a majority vote in an uncontested election and by a plurality vote in a contested election. Any Director nominated for re-election who does not receive more votes cast "for" such nominee's election than votes cast "against" such nominee's election, excluding abstentions, shall submit his or her offer of resignation for consideration by the Board Nominating and Governance Committee. The Board Nominating and Governance Committee shall consider all of the relevant facts and circumstances, including the Director's qualifications, the Director's past and expected future contributions to the Corporation, the overall composition of the Board and whether accepting the tendered resignation would cause the Corporation to fail to meet any applicable rule or regulation (including NYSE listing requirements and federal securities laws) and recommend to the Board the action to be taken with respect to such offer of resignation.

The Board of Directors proposes a slate of nominees for consideration each year. Between Annual Meetings, the Board may select one or more Directors to serve until the next Annual Meeting. The Board Nominating and Governance Committee identifies, investigates and recommends prospective directors to the Board with the goal of creating a balance of knowledge, experience and diversity aligned with the long-term interest of stockholders. Stockholders may recommend a nominee by writing to the Corporate Secretary specifying the nominee's name and the qualifications for Board membership. All recommendations are brought to the attention of the Board Nominating and Governance Committee.

### **Other Board Memberships**

Directors limit their other board memberships to a number which permits them, given their individual circumstances, to responsibly perform all of their Director duties, with no director serving on the boards of more than five publicly traded companies. Current positions in excess of these limits may be maintained unless the Board Nominating and Governance Committee determines that doing so would impair the Director's service on the Corporation's Board. To avoid any potential conflict of interest, Directors will not accept a seat on any additional public company board without first notifying the Lead Director and the Chairman of the Board. The Board Nominating and Governance Committee reviews and concurs in the election of any employee Director to outside, for-profit board positions.



### **Director Retirement Policy**

Non-employee Directors may not stand for re-election after reaching age 72. Employee Directors may not serve as Directors once their employment with the Corporation ends. Mandatory retirement for employee Directors is age 65.

A non-employee Director shall submit to the Board Nominating and Governance Committee a letter offering to resign if his or her principal occupation or business association changes substantially during his or her tenure as a Director. The Board Nominating and Governance Committee will review and recommend to the Board the action, if any, to be taken with respect to the offer of resignation.

### **Number and Composition of Board Committees**

The Board has four committees: Audit, Board Nominating and Governance, Management Compensation and Public Policy. All Committees are comprised solely of independent Directors and members of the Audit, Board Nominating and Governance and Management Compensation committees are independent Directors, as defined by the New York Stock Exchange. In addition, all Audit Committee members meet the requirement that they may not directly or indirectly receive any compensation from the Corporation other than their Directors' compensation.

Each committee is chaired by an independent Director who determines the agenda, the frequency and length of the meetings and who has unlimited access to management, information and independent advisors, as necessary and appropriate. Each independent Director generally serves on one or two committees. Committee members serve staggered terms enabling Directors to rotate periodically to different committees. Four- to six-year terms for committee chairpersons facilitate rotation of committee chairpersons while preserving experienced leadership.

### **Board Leadership and Lead Director**

The independent Directors select the Chairman of the Board annually. The independent Directors review the propriety of combining or separating the offices of Chairman and CEO annually in connection with its selection of the Chairman. The independent Directors may select the Corporation's CEO to serve as Chairman.

When the Board selects the CEO to serve as Chairman, the independent Directors will annually select a Lead Director from among the independent Directors serving on the Corporation's Board. The Lead Director will chair all meetings of the Board in the Chairman's absence, including the executive sessions, serve as a liaison between the Chairman and the independent Directors, consult with the Chairman on agendas for Board meetings and other matters pertinent to the Corporation and the Board, and approve meeting agendas and schedules and information sent to the Board. The Lead Director will have the authority to call meetings of the independent Directors and will, if requested by major stockholders, be available as appropriate for consultation and direct communication.

### **Executive Sessions**

Independent Directors meet in executive session at each regularly scheduled Board meeting. The sessions are chaired by the Lead Director if the CEO serves as Chairman; otherwise, the sessions are chaired by the Chairman. Any independent Director can request that an executive session be scheduled.

### **Business Conduct and Ethics Code**

The Board expects all Directors, as well as officers and employees, to display the highest standard of ethics, consistent with The Chevron Way. The Board also expects Directors, officers and employees to acknowledge their adherence to the Corporation's Business Conduct and Ethics Code. The Corporation has and will continue to maintain the Business Conduct and Ethics Code. The Board's Audit Committee periodically reviews compliance with this Code.

### **Confidentiality**

The proceedings and deliberations of the Board and its Committees are confidential. Each Director will maintain the confidentiality of all proprietary, privileged or otherwise protected information about the Corporation and other entities that the Director obtains in connection with his or her service as a Director, except where the disclosure is authorized or required by law.

### **Succession Planning**

Annually, the independent Directors review candidates for all senior management positions to ensure that qualified candidates are available for all positions and that development plans are being utilized to strengthen the skills and qualifications of the candidates.

### **Board Compensation**

Independent Directors receive compensation that is competitive, links rewards to business results and stockholder returns, and facilitates increased ownership of the Corporation's stock. The compensation consists of cash and equity components with a goal of providing greater than 50 percent of compensation in equity. The Corporation does not have a retirement plan for non-employee Directors. Employee Directors are not paid additional compensation for their services as Directors. The Board Nominating and Governance Committee periodically reviews and recommends changes to Board compensation to ensure that the total compensation remains competitive and appropriate.

### **Board Access to Management**

Directors are encouraged and provided opportunities to talk directly to any member of management regarding any questions or concerns the Director may have.

### **Director Orientation and Education**

The Corporation has and will continue to maintain an orientation program that contains written material, oral presentations and site visits. The Corporation maintains a list of continuing director education opportunities and all directors are encouraged to periodically attend, at Company expense, director continuing education programs offered by various organizations. The Corporation also provides ongoing Director education through presentations at Board and Committee meetings and Board briefings.

### **Evaluation of Board Performance**

The Board and each Board committee conduct a self-evaluation annually. The Board Nominating and Governance Committee oversees this self-evaluation process and assesses the full Board's performance. As part of the evaluation, the Committee also invites input on individual director performance. The Committee recommends changes to improve the Board, the Board committees and individual Director effectiveness. The Committee utilizes the annual Board evaluation to gather input to assist the Committees' evaluation and recommendations.

### **Chief Executive Officer Performance Review**

The Board annually reviews the CEO performance. To conduct this review, the Board Nominating and Governance and Management Compensation Committee chairpersons gather and consolidate input from all Directors. The consolidated input is reviewed at a meeting in executive session with all independent Directors after which the chairpersons present the results of the review to the CEO.

### **Director and Officer Stock Ownership Guidelines**

The Board expects all Directors and executive officers to display confidence in the Corporation by ownership of a significant amount of stock. The Board has structured its compensation to strive to result in ownership of at least 7 times the annual cash retainer amount or 15,000 shares of stock or stock units after five years of service as a Director. The Board Nominating and Governance Committee periodically assesses the guidelines and Directors' ownership relative to these guidelines, and makes recommendations as appropriate. The Board has also established stock ownership guidelines for executive officers of the Corporation. Targets are based on a multiple of base salary: CEO 6 times; Vice Chairman, Executive Vice Presidents and Chief Financial Officer 4 times; all other executive officers 2 times. Executives are expected to achieve targets within 5 years of assuming their positions. The Management Compensation Committee periodically assesses the guidelines and the executive officers' ownership relative to these guidelines, and makes recommendations as appropriate.

### **Access to Independent Advisors**

The Board and each Board committee have the right at any time to retain independent outside financial, legal or other advisors.

### **Board Agenda and Meetings**

The Chairman in coordination with the Lead Director sets the schedule for Board meetings and determines the timing and length of the meetings of the Board. In addition to regularly scheduled meetings, unscheduled Board meetings may be called, upon proper notice, at any time to address specific needs of the Corporation. The Annual Meeting of Stockholders will be scheduled in conjunction with a regularly scheduled Board meeting. The Board expects all Directors to attend regularly scheduled Board meetings and the Annual Meeting of Stockholders, unless there are extenuating circumstances.

The Chairman in consultation with the Lead Director establishes the agenda for each Board meeting, taking into account input and suggestions from other Directors and management. The Directors also provide input for additional pre-meeting materials. They make suggestions to the appropriate committee chairperson at any time. The agendas for Board meetings provide opportunities for the operating heads of the major businesses of the Corporation to make presentations to the Board. Each year the Board reviews the long-term strategic plan for the Corporation and the principal issues that the Corporation expects to face in the future.

### **Policy on Stockholder Proposals Receiving Majority Approval**

The Board will reconsider any stockholder proposal not supported by the Board that receives a majority of the votes cast at the Annual Meeting at which a quorum is present. Action taken on the proposal will be reported to stockholders in a timely manner.

### **Confidential Stockholder Voting Policy**

Chevron has a confidential voting policy to protect stockholders' voting privacy. Under this policy, ballots, proxy forms and voting instructions returned to brokerage firms, banks and other holders of record are kept confidential. Only the proxy solicitor, proxy tabulator and the Inspector of Election have access to the ballots, proxy forms and voting instructions. Anyone who processes or inspects ballots, proxy forms or voting instructions signs a pledge to treat them as confidential. None of these persons is a Chevron employee. The proxy solicitor and the proxy tabulator will disclose information taken from the ballots, proxy forms and voting instructions only in the event of a proxy contest or as otherwise required by law.

### **Communication with the Board of Directors**

Interested parties wishing to communicate their concerns or questions about Chevron to the Lead Director or to independent Directors may do so by U.S. mail to Lead Director or to Independent Directors, c/o Office of the Corporate Secretary, Chevron Corporation, 6001 Bollinger Canyon Road, San Ramon, CA 94583. The Corporate Secretary will compile the communications, summarize lengthy or repetitive communications and forward to the Lead Director or the independent Directors. The Corporate Secretary will also coordinate any requests from stockholders for additional communications with the Lead Director.

### **Reporting of Concerns Regarding Accounting, Internal Accounting Controls or Auditing Matters**

The Audit Committee has procedures in place to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by anyone of concerns regarding questionable accounting or auditing matters. These procedures can be found on the Chevron website at [www.chevron.com/investors/corporate-governance](http://www.chevron.com/investors/corporate-governance).

### **Policy on Stockholder Rights Plans**

The Board will obtain stockholder approval of any stockholder rights plan. The Board will obtain such approval prior to the implementation of a stockholder rights plan, except in the following limited circumstance. If a majority of the independent Directors conclude that it would be detrimental to the best interests of the Corporation and the holders of the majority of the shares of its common stock to defer the effectiveness of a stockholder rights plan until stockholder approval of the plan can be obtained, then the Board may implement a rights plan prior to obtaining stockholder approval. In such a case, the Board will submit the stockholder rights plan to stockholders for approval at the first meeting of stockholders for which a record date passes after the adoption of the stockholder rights plan. If stockholder approval is not obtained, the rights plan would terminate not later than 30 days after the vote has been certified by the inspector of elections.

### **Periodic Review of Corporate Governance Guidelines**

The Board Nominating and Governance Committee and the Board review these Corporate Governance Guidelines and related corporate governance documents at least annually and revise as appropriate.

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and be it further,

**RESOLVED:** That the Chevron Board of Directors Policy Statement—Stock Ownership Guidelines for Management shall be, and hereby are, amended and restated as follows:

#### **“CHEVRON CORPORATION BOARD OF DIRECTORS POLICY STATEMENT – STOCK OWNERSHIP GUIDELINES FOR MANAGEMENT**

The Board of Directors strongly believes in linking the interest of management and stockholders. One of the core principles underlying compensation for executives is to encourage creation of long-term stockholder value through increased stockholder returns. One way to achieve this is to require executives to hold prescribed levels of stock, thereby linking their interests with those of our stockholders. Ownership guidelines are based on a multiple of each executive’s base salary and executives are expected to achieve their guideline within five years of assuming their position.

Stock ownership guidelines are as follows:

Chairman and Chief Executive Officer 6.0 times  
Vice Chairman, Chief Financial Officer and Executive Vice Presidents 4.0 times  
All Other Executive Officers 2.0 times  
All Other Senior Executives (PSG 41+) 1.5 times

The following are included in stock ownership:

- Chevron stock and/or ESOP funds in the Employee Savings Investment Plan
- Share-equivalent funds in the ESIP-Restoration Plan (company match on earnings above the Internal Revenue Compensation limit)
- Share equivalents in the Deferred Compensation Plan (deferrals of Chevron Incentive Plan (CIP), Long-Term Incentive Plan (LTIP) and salary)
- Unvested restricted stock units
- Any Chevron stock personally owned\* (typically held in a brokerage account)

Stock options and performance shares, whether vested or unvested, do not count.

\* Please contact the Executive Compensation Group at [REDACTED]@chevron.com or [REDACTED] for those shares to be included in your ownership level.

Named executive officers are required to hold shares acquired under LTIP until meeting ownership guidelines.

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Dr. Sugar also reported that the Board Nominating and Governance Committee, at its December meeting, reviewed and recommended changes to the annual retainer paid to the Audit Committee Chair, Management Compensation Committee Chair, and the Lead Director. Upon recommendation of the Committee, on motion duly seconded, the Board unanimously adopted the following resolution:

**RESOLVED:** That commencing on the date of the 2017 annual meeting of stockholders, the annual retainer for the Lead Director shall be \$30,000, the annual retainer for the Chair of the Audit Committee shall be \$25,000, and the annual retainer for the Chair of the Management Compensation Committee shall be \$20,000, which each shall be payable in cash on a monthly basis.

Dr. Sugar also reported that the Committee discussed potential Director candidates. Dr. Sugar reported that the Committee reviewed communications to the Board of Directors, which are also posted on Diligent Boards, and transactions made by Section 16 Insiders.

Discussion occurred on the subject of executive succession. Upon recommendation of the Committee, the Board unanimously adopted the following resolutions:

**RESOLVED:** That, effective February 1, 2017, the number of Directors of this Corporation



shall be increased to 12; and be it further

**RESOLVED:** That, effective February 1, 2017, Michael K. Wirth is hereby elected a Director of this Corporation and is further selected as Vice Chairman of the Board of Directors.

Linnet Deily reported on the January 24, 2017, joint meeting of the Board Nominating and Governance and Public Policy Committees. The Committees reviewed the stockholder proposals received for inclusion in the Corporation's 2017 Proxy Statement and the draft Board responses to the proposals.

Upon recommendation of the Committees, on motion duly seconded, the Board unanimously adopted the following resolutions:

**RESOLVED:** That the 2017 Annual Meeting of the Stockholders of the Corporation shall be held on Wednesday, May 31, 2017, at 8:00 a.m. CDT, in Midland, Texas; and be it further

**RESOLVED:** That the close of business on Monday, April 3, 2017, be and is hereby fixed by this Board of Directors as the record date for the determination of the stockholders entitled to vote at the 2017 Annual Meeting of the Stockholders and any adjournment thereof; and be it further

**RESOLVED:** That CT Hagberg LLC is appointed to serve as the inspector of election for the Annual Meeting, and that the Corporate Secretary and Chief Governance Officer is authorized to appoint an alternate inspector in the event that CT Hagberg LLC cannot serve; and be it further

**RESOLVED:** That John S. Watson, R. Hewitt Pate, and Mary A. Francis, and each of them, are approved as the persons to represent and to vote the common stock of the Corporation as directed by the stockholders on the proxies to be solicited on behalf of the Board of Directors; and be it further

**RESOLVED:** That the Board recommends that the stockholders vote against the following stockholder proposals: (1) report on lobbying; (2) report on business with conflict-complicit governments; (3) climate change impact assessment; (4) transition to a low carbon economy; (5) appoint an independent chairman; (6) recommend an independent director with environmental expertise; and (7) give holders of at least 10% of outstanding common stock the right to call a special stockholders' meeting.

Ms. Deily also reported that the Committees discussed a draft report prepared to respond to last year's 41 percent vote in favor of the stockholder proposal seeking a climate change impact assessment report. The draft report provides an explanation of the processes the Corporation uses to manage climate-related risks. Ms. Deily noted that over the last three months, management has engaged with stockholders comprising an aggregate of over 36 percent of the Corporation's outstanding stock and, of those engagements, Mr. Hernandez and Dr. Sugar participated in engagements with investors comprising 29 percent of the Corporation's outstanding stock. Ms. Deily noted that, based on stockholder feedback in the engagements and last year's vote, the Committees believe that it is important to issue the report. After a thorough discussion, the Board concurred with the publication of the report.

Rick Hernandez reported on the January 24, 2017, meeting of the Management Compensation Committee. He reviewed the significant items of business discussed during the meeting, including the approval of management personnel proposals. Mr. Hernandez discussed the planned response and changes to the compensation program in response to the 54 percent advisory vote on executive compensation in 2016. Mr. Hernandez reviewed the Committee's discussion of 2016 business performance and approval of the 2016 Chevron Incentive Plan corporate rating of .75, the performance share modifier of 200 percent for performance share awards made in 2014 pursuant to the LTIP, grant levels of awards under the LTIP for individual executives, and executive salary structure. He reported that the Committee reviewed the draft language for the compensation discussion and analysis for the 2017 Proxy Statement. Mr. Hernandez also discussed the Committee's annual review of compensation tally sheets for the named executive officers in the proxy statement. He reported on the Committee's approval of design changes to the long term and annual incentive programs and compensation governance. He deferred further discussion of the Chairman's and other executive officers' salary action, Chevron Incentive Plan ("CIP") awards, and LTIP awards to the executive session of the independent Directors. Discussion occurred regarding the employee compensation program.

Pierre Breber, Jay Johnson, Mark Nelson, Mike Wirth, and Pat Yarrington joined the meeting.

Mr. Johnson, referring to materials provided to the Board in advance of the meeting, discussed the meetings of the Executive Committee held on December 5 and December 14, 2016, as well as the Major Capital Projects Summaries. He commented on, among other matters, the divestment of geothermal assets in Indonesia and the Philippines and the divestment of Bangladesh assets as reported in the previous Board meeting. He also discussed the commitment for the Sarta development plan and the extension of payment terms to the Nigerian National Petroleum Corporation to address arrears. He responded to questions throughout his presentation.

On motion duly seconded, all actions taken at the Executive Committee meetings were ratified and approved.

Mr. Nelson presented an update on the current market conditions including status and projections for global oversupply and inventories, external developments including OPEC action, and industry landscape. He discussed, among other things, anticipated market conditions, near-term oil price environment expectations, trends in the US gas market and trends in the LNG spot market.

Questions and discussion arose regarding, among other topics, OPEC activity, Saudi Aramco's potential IPO, and Iran's production.

Mr. Watson discussed 2016 performance. He highlighted significant achievements in 2016 and goals for 2017.

Ms. Yarrington reviewed the significant accomplishments and challenges of 2016. She presented a review of fourth quarter and full-year 2016 financial performance. She discussed, among other things, earnings, a comparison of impairment activity of competitors, analysts' estimates of earnings, operating expense, capital and exploratory expenditures, and cash flow performance.

Ms. Yarrington then discussed the debt and financing status.

On motion duly seconded, the Board unanimously adopted the following resolutions:

**WHEREAS** on January 27, 2016, the Board of Directors (the “Board”) granted authority to Chevron Corporation’s (the “Corporation”) Chief Financial Officer, Treasurer, and any Assistant Treasurer of the Corporation (the “Authorized Officers”) to approve the issuance, sale and delivery of one or more series of notes or debentures not to exceed an aggregate principal amount of Ten Billion U.S. Dollars (U.S. \$10,000,000,000) and in connection with such issuance the execution of one or more interest rate and/or currency swap agreements or swap transactions for up to Four Billion U.S. Dollars (U.S. \$4,000,000,000) of the notes or debentures (collectively, the “2016 Public Debt and Swap Resolutions”);

**WHEREAS** on May 16, 2016, the Corporation issued Six Billion Eight Hundred Million U.S. Dollars (U.S. \$6,800,000,000) of notes (the “2016 Issuance”) pursuant to the 2016 Public Debt and Swap Resolutions; and

**WHEREAS** the Board deems it to be desirable and in the best interests of the stockholders of the Corporation to authorize the future issuance of up to Fifteen Billion U.S. Dollars (U.S. \$15,000,000,000) or the United States dollar equivalent thereof in other currencies (calculated in each case at the time of issue) of notes or debentures and to enter into interest rate and/or currency swap agreements or swap transactions up to Four Billion U.S. Dollars (\$4,000,000,000) or the United States dollar equivalent thereof in other currencies (calculated in each case at the time of issue),

**NOW THEREFORE BE IT**

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to approve the issuance, sale and delivery of one or more series of notes or debentures (the “Securities”) by this Corporation; provided that (a) the aggregate principal amount of the Securities shall not exceed Fifteen Billion U.S. Dollars (U.S. \$15,000,000,000) or the United States dollar equivalent thereof in other currencies (calculated in each case at the time of issue) and (b) the term of each series of Securities shall not exceed thirty (30) years; provided further that each issuance of Securities shall be reported to the Executive Committee; and be it further

**RESOLVED:** That, in connection with any issuance of Securities pursuant to these resolutions, the Authorized Officers are, and each of them is, hereby authorized to execute and deliver on behalf of this Corporation one or more indentures supplemental (each a “Supplemental Indenture”) to the Indenture dated June 15, 1995 between this Corporation and Wells Fargo Bank, National Association, as Trustee (the “Indenture”), setting forth the terms and provisions of one or more series of Securities in accordance with the provisions of the Indenture and these resolutions, such Supplemental Indentures to be in such form or forms as may be approved by the Authorized Officer executing the same, such execution and delivery being conclusive evidence of such approval; and be it further

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to execute and deliver on behalf of this Corporation one or more underwriting agreements (each an

“Underwriting Agreement”) among this Corporation and the underwriters of the Securities, in such form or forms as may be approved by the Authorized Officer executing the same, such execution and delivery being conclusive evidence of such approval; and be it further

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the securities of this Corporation as such officer may deem advisable; that any such Authorized Officer is hereby authorized to perform on behalf of this Corporation any and all such acts as such officer may deem necessary or advisable in order to comply with the applicable laws of any such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by such officer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish such Authorized Officer’s authority therefore from this Corporation and the approval and ratification by this Corporation of the papers and documents so executed and the action so taken; and be it further

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to execute and deliver on behalf of this Corporation one or more Letters of Representations among this Corporation, the relevant trustee and the Depository Trust Company, in such form as may be approved by the Authorized Officer executing the same, such execution and delivery being conclusive evidence of such approval; and be it further

**RESOLVED:** That, in connection with any issuance of Securities pursuant to these resolutions, the Authorized Officers are, and each of them is, hereby authorized to negotiate the terms and conditions of one or more interest rate and/or currency swap agreements or swap transactions thereunder to be entered into by this Corporation and such counterparties as may be selected by any such Authorized Officer, and that any such Authorized Officer is authorized to execute and deliver on behalf of this Corporation one or more such interest rate and/or currency swap agreements or swap transactions thereunder (each a “Swap Agreement”), in such form or forms as may be approved by the Authorized Officer executing and delivering the same, such execution and delivery being conclusive evidence of such approval; provided that the aggregate Notional Amount, Currency Amount, Initial Exchange Amount, or Final Exchange Amount of all such Swap Agreements, as the case may be, shall not exceed of Four Billion U.S. Dollars (U.S. \$4,000,000,000) or the United States dollar equivalent thereof in other currencies (calculated in each case at the time of issue); and be it further

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to execute and file with the U.S. Securities and Exchange Commission on behalf of this Corporation one or more Registration Statements on Form S-3, together with any exhibits, amendments or supplements thereto as may be necessary or proper, providing, among other things, for the issuance to the public of debt securities of this Corporation or, together with a guarantee by this Corporation, of one or more subsidiary issuers; and be it further

**RESOLVED:** That the Authorized Officers are, and each of them is, hereby authorized to execute and deliver on behalf of this Corporation all such documents and to take all such actions as may be necessary or desirable to carry out the foregoing resolutions and the transactions

contemplated thereby and that all actions heretofore taken on behalf of this Corporation by any Authorized Officer or other officer of this Corporation in connection with the transactions contemplated by the foregoing resolutions are hereby approved and ratified; and be it further

**RESOLVED:** That the preceding resolutions supersede the 2016 Public Debt and Swap Resolutions, except that portion of the 2016 Public Debt and Swap Resolutions authorizing one or more interest rate and/or currency swap agreements or swap transactions shall remain in full force and effect with respect to the 2016 Issuance.

Ms. Yarrington then offered a recommendation regarding the first quarter dividend. After discussion, on motion duly seconded, the Board unanimously adopted the following resolutions:

**RESOLVED:** That in the opinion of the Board of Directors, based on the financial statement duly certified by the Comptroller of the Corporation and presented to this meeting, the Corporation has sufficient earned surplus and cash on hand from which the following dividend may properly be declared and paid; therefore be it further

**RESOLVED:** That a dividend No. 364 of one dollar and eight cents (\$1.08) per share be declared payable March 10, 2017, to all holders of Common Stock as shown by the transfer records of the Corporation at the close of business February 16, 2017.

Ms. Yarrington then discussed total shareholder return among competitors over various time periods. Questions and discussion occurred throughout her presentation.

Mr. Johnson presented a review of Upstream performance in 2016. He discussed, among other things, key accomplishments and challenges during the year. He discussed operational excellence performance, and progress on key major capital projects including Gorgon, Wheatstone, and Big Foot, and on divestment goals.

Mr. Johnson discussed 2016 operational and financial performance highlights, including net production, cost management, earnings and cash flow generation, competitive performance, results of exploration activity, reserves replacement and 2017 priorities. Questions and discussion occurred throughout Mr. Johnson's presentation.

Mr. Breber presented a review of Downstream & Chemicals performance in 2016. He discussed, among other things, key accomplishments and challenges for the year, operational excellence performance, earnings, reliability performance at refineries, process safety at refineries, and cash generation, competitive performance and the status of major capital projects and commercial milestones and divestments.

Mr. Breber then discussed Chevron Global Energy Inc.'s proposed divestment of shares and related interests in Chevron South Africa and Chevron Botswana to Sinopec for a sales price of approximately \$900 million. After discussion among the Directors, the Board concurred with the proposed disposition as presented at the meeting, provided the Executive Committee is satisfied with any additional information or reporting it deems advisable.



Mr. Breber concluded with a review of 2017 priorities. Discussion occurred during Mr. Breber's presentation, and he responded to questions on various matters, including the CP Chemical project.

Jeff Gustavson joined the meeting and presented an overview of Upstream business in Canada. He provided an overview of Canada's petroleum sector and industry, Chevron's historical activity in Canada, and Chevron's Upstream assets in Canada, including the Athabasca Oil Sands Project, the Hibernia and Hebron projects, and the Kaybob Duvernay and Kitimat projects. He discussed the political, economic and social environment and also the Canada Business Unit's actual and projected business results. He then addressed near-term focus areas and priorities.

He responded to questions throughout his presentation.

Messrs. Breber, Gustavson, Johnson, Nelson, and Wirth and Ms. Yarrington left the meeting.

Mr. Pate provided a privileged litigation update, and responded to various questions.

Mr. Pate and Ms. Francis left the meeting.

Mr. Watson met privately with the independent Directors, continuing the discussion of matters on the agenda, including the results of the Board and Board Committee annual performance evaluation. He then left the meeting and the independent Directors met in executive session. The independent Directors discussed Mr. Watson's 2016 performance and performance feedback for him. Mr. Hernandez reported on the Management Compensation Committee's processes for determining salary actions, CIP awards, and LTIP awards for the executive officers. He outlined in particular the process the Committee undertook in developing a recommendation to the independent Directors for the salary action, CIP award, and LTIP award for Mr. Watson and the Committee's determination of the same for the other executive officers. After a discussion of the Committee's process and recommendations, the independent Directors approved the compensation determination as proposed for Mr. Watson and ratified the compensation determinations as approved by the Committee for Messrs. Breber, Geagea, Johnson, Pate, and Wirth, and Ms. Yarrington, each as set forth on Exhibit A attached hereto.

There being no further business, the meeting was adjourned.

[Subsequent to the meeting, the Independent Directors clarified the intended standard Restricted Stock Unit vesting terms and the Form of Standard Restricted Stock Unit Award Agreement pursuant to the communication attached hereto as Exhibit B.]



Secretary



**Exhibit A****Chevron Corporation  
Executive Officer Compensation**

<b>Executive</b>	<b>Base Salary (effective 4/1/17)</b>	<b>CIP Payment</b>	<b>Stock Options</b>	<b>Performance Shares</b>	<b>Restricted Stock Units</b>
J.S. Watson	\$1,863,500	\$2,096,400	250,000	65,340	32,670
P. Breber	\$917,000	\$762,200	62,200	16,250	8,120
J. Geagea	\$972,000	\$761,800	62,200	16,250	8,120
J. Johnson	\$1,100,000	\$930,600	80,800	21,110	10,560
H. Pate	\$900,000	\$701,400	47,300	12,370	6,180
M. Wirth	\$1,250,000	\$906,200	80,800	21,110	10,560
P. Yarrington	\$1,120,000	\$890,100	62,200	16,250	8,120

## **Exhibit B**

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**



# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

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# **Privileged – ACP/WP**



# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

**Chevron Corporation**  
**Long-Term Incentive Plan Award**  
**Standard Restricted Stock Unit Award**



**1. NOTICE OF RESTRICTED STOCK UNIT AWARD.**

You have been granted a Restricted Stock Unit Award, subject to the terms and conditions of the Long-Term Incentive Plan ("Plan") and this Award agreement. By accepting this Restricted Stock Unit Award, you agree to all terms and conditions of the Plan, its Rules, and any provisions within this agreement. In the event of any conflict between the provisions of this Award agreement and the terms of the Plan or Rules, the terms of the Plan and/or Rules shall govern. Defined terms that are not defined herein shall have the meaning ascribed to them in the Plan or Rules. For a copy of the plan documents, go to the [Executive Plans](#) website, the [Global Executive Plans](#) website, or contact the Executive Compensation Group at [execplans@chevron.com](mailto:execplans@chevron.com) or 1-925-842-7304.

**1.1 NAME OF EMPLOYEE:**

**1.2 GRANT DATE:**

**1.3 NUMBER OF UNITS GRANTED:**

**1.4 VESTING SCHEDULE.** Subject to the Employee's continued service on the vesting date, the Restricted Stock Units shall vest on January 31 following the fifth (5<sup>th</sup>) anniversary of the Grant Date.

**2. TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD.**

**2.1 EFFECT OF TERMINATION ON VESTING.**

**a. Termination in a Non-European Union Payroll Country**

If you are on a non-European Union country's payroll at Termination of employment, your Restricted Stock Unit Award is affected as follows.

- i. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination, you are at least age 65, have at least 90 points (sum of age and service at Termination), or have retired due to Mandatory Retirement, then your Restricted Stock Unit Award will continue to vest in accordance with Section 1.4.
- ii. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination, you are at least age 60 or have at least 75 points (sum of age and service at Termination), then a portion of the Restricted Stock Unit Award will vest as follows: the number of Restricted Stock Units subject to vesting is determined by multiplying the number of Restricted Stock Units granted by the number of completed months from the Grant Date to your Termination date, up to a maximum of 60 months, divided by 60 months. The portion of your Restricted Stock Unit Award that does not vest in accordance with this formula will be automatically forfeited as of your date of Termination.
- iii. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination you are less than age 60 or have less than 75 points (sum of age and service at Termination) then all unvested Restricted Stock Units will be automatically forfeited as of your date of Termination.

**b. Termination in a European Union Payroll Country**

If you are on a European Union country's payroll at Termination of employment, your Restricted Stock Unit Award is affected as follows.

- i. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination, you have at least 30 years of service, then your Restricted Stock Unit Award will continue to vest in accordance with Section 1.4.
- ii. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination, you have at least 25 years of service but less than 30 years of service, then a portion of the Restricted Stock Unit Award will continue to vest as follows: the number of Restricted Stock Units subject

to vesting is determined by multiplying the number of Restricted Stock Units granted by the number of completed years from the Grant Date to your Termination date, up to a maximum of 5 years, divided by 5 years. The unvested portion of your Restricted Stock Award that does not vest in accordance with this formula will be automatically forfeited as of your date of Termination.

- iii. If your employment Terminates on or after January 31 of the year following the Grant Date and if, upon Termination, you have less than 25 years of service, then the unvested portion of your Restricted Stock Unit Award will be automatically forfeited upon your date of Termination.

- 2.2 **DISABILITY.** For purposes of the Vesting Schedule and the Expiration Date of your Restricted Stock Unit Award, you are deemed to have Terminated upon the earlier of twenty-nine (29) months after the commencement of long-term disability benefits under a plan or program sponsored by the Corporation, or the date you fail to qualify, or no longer qualify for such long-term disability benefits, provided that you do not return to active employment with the Corporation at that time.
- 2.3 **DIVIDEND EQUIVALENTS.** The Restricted Stock Unit Award will earn Dividend Equivalents in the form of additional Restricted Stock Units, subject to the vesting and termination provisions described above.
- 2.4 **RESTRICTED STOCK UNIT AWARD PAYOUT.** The payout amount of your Restricted Stock Unit Award is equal to the number of vested Restricted Stock Units, including any vested Dividend Equivalents, multiplied by the Closing Price of Common Stock as listed on the New York Stock Exchange (NYSE) on the applicable Vesting Date. If the NYSE is closed on the Vesting Date, the price will be based on the Closing Price of Common Stock on the last day the NYSE is open prior to the Vesting Date.
- 2.5 **PAYMENT.** Your vested Restricted Stock Unit Award will be paid in cash, less all applicable withholding taxes, as soon as reasonably practicable after the applicable Vesting Date. For the avoidance of doubt, in the event of a Termination of employment in accordance with Section 2.1, no payment will be made prior to the January 31 following the fifth (5<sup>th</sup>) anniversary of the Grant Date.
- 2.6 **DEFERRAL.** You may not defer payment of your Restricted Stock Unit Award.
- 2.7 **MISCONDUCT.** Restricted Stock Unit Awards may be forfeited for Misconduct as defined in the Plan, and the Corporation may demand repayment of amounts received on or after the date of the Misconduct. See the terms of the Plan for additional information.
- 2.8 **TAXATION.** You are responsible for all taxes with respect to the Restricted Stock Unit Award. The Corporation makes no guarantees regarding the tax treatment of your Award and the tax consequences of Restricted Stock Unit Awards vary, depending on the country's laws that govern this Restricted Stock Unit Award. Consult the prospectus or prospectus supplement and your tax advisor for more information regarding the tax consequences of your Restricted Stock Unit Award. For a copy of the prospectus or prospectus supplement, go to [Executive Plans](#) website or the [Global Executive Plans](#) website.
- 2.9 **ADJUSTMENTS.** In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, reclassification, merger, consolidation, or other similar corporate change, the number of Restricted Stock Units under this agreement shall be adjusted in accordance with the terms of the Plan.
- 2.10 **NON-TRANSFERABILITY OF AWARD.** You are not permitted to sell, transfer, pledge, assign or encumber this Restricted Stock Unit Award during your lifetime.
- 2.11 **BENEFICIARY DESIGNATION.** You may designate a beneficiary for your Stock Option Award on the Benefit Connection website. Benefit Connection can be accessed on the Chevron U.S. Benefits website [hr2.chevron.com](http://hr2.chevron.com). Non-U.S. payroll employees may download a [Beneficiary Designation](#) form from the Global Executive Plans website.
- 2.12 **NO RIGHT TO CONTINUED EMPLOYMENT.** The granting of the Restricted Stock Unit Award shall impose no obligation on the Corporation or its affiliate to continue your employment.
- 2.13 **RIGHTS AS A STOCKHOLDER.** You will have none of the rights of a stockholder of the Corporation with respect to the Restricted Stock Unit Award.
- 2.14 **AMENDMENT.** This Award agreement may not be altered, modified or amended except by written instrument signed by both parties and in accordance with the terms of the Plan.

**Chevron Corporation**  
**Statement of Retained Earnings**  
*(Millions of Dollars)*

	<u><b>Consolidated</b></u>
Retained Earnings December 31, 2015	\$ 181,578
Net Loss for Period January 1 - December 31, 2016	(497)
	<u>181,081</u>
<i>Plus:</i>	
Retained Earnings Adjustment	-
<i>Less:</i>	
Cumulative Effect of Accounting Changes	-
<i>Less:</i>	
Dividends Declared or Paid Through December 31, 2016 on Common Shares	(8,035)
<b>Retained Earnings December 31, 2016</b>	<b><u>\$ 173,046</u></b>
 <b>Cash, Time Deposits and Marketable Securities at December 31, 2016</b>	 <b>\$ 7,001</b>

I, J. L. Ourada, Comptroller of Chevron Corporation, hereby certify that the foregoing is as reflected by the books of said Corporation.

Date: January 23, 2017

  
 J. L. Ourada

CONFIDENTIAL-RESTRICTED ACCESS