



**Mary A. Francis**  
Corporate Secretary and Chief Governance Officer

November 30, 2016

**CLASSIFIED**

Dr. Ronald D. Sugar, Chairperson  
Dr. Wanda M. Austin  
Ms. Linnet F. Deily  
Dr. Alice P. Gast  
Mr. Inge G. Thulin

Re: Board Nominating and Governance Committee Meeting

I am including in this distribution the [agenda](#) and supporting materials for the Board Nominating and Governance Committee meeting to be held at 2:00 p.m. on Tuesday, December 6 in Room A4320.

We will provide an [update at the meeting \(Item 4\) of any new stockholder proposals](#), should we receive any additional proposals.

If you have any questions on any of the agenda items, I would be happy to discuss them with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary".

Enclosures

cc:      Mr. John S. Watson  
          Mr. R. Hewitt Pate

**Corporate Governance**  
Chevron Corporation  
6001 Bollinger Canyon Road, San Ramon, CA 94583  
[REDACTED]

**CHEVRON CORPORATION  
BOARD NOMINATING AND GOVERNANCE COMMITTEE  
DECEMBER 6, 2016, 2:00 – 3:00 P.M.  
ROOM A4320, CHEVRON PARK**

**AGENDA**

Time	Tab	Topic
<b>2:00 p.m.</b>	<b>1.</b>	<b><u>Minutes</u></b> Review and approve the minutes of the July 26, 2016 Committee meeting.
<b>2:05 p.m.</b>	<b>2.</b>	<b><u>Director Compensation Review</u></b> ([REDACTED] Pearl Meyer & Partners -- telephonically) Review non-employee Director compensation.
<b>2:25 p.m.</b>	<b>3.</b>	<b><u>Annual Board and Board Committee Performance Evaluation Process Review</u></b> Review and approve the process for annual self-evaluations of the Board and Board Committees.
<b>2:40 p.m.</b>	<b>4.</b>	<b><u>Proxy Season Preview and Update on Engagement Plan</u></b> Preview of the 2017 proxy season and update on engagement with stockholders and other stakeholders.
<b>2:50 p.m.</b>	<b>5.</b>	<b><u>Director Succession Planning</u></b> Discuss Director succession planning and potential Director nominees.
<b>3:00 p.m.</b>		<b>Adjourn</b>
	<b>6.</b>	<b><u>Information Item:</u></b> Board Nominating and Governance Committee 2017 Meeting Plan

**DRAFT**

**CHEVRON CORPORATION  
BOARD NOMINATING AND GOVERNANCE COMMITTEE  
JULY 26, 2016**

**MINUTES**

Members Present:

Ronald D. Sugar, Chairman  
Linnet F. Deily  
Jon M. Huntsman, Jr.  
John G. Stumpf  
Inge G. Thulin

Also Present:

Alice P. Gast  
Charles W. Moorman, IV

Dr. Sugar chaired the meeting. Mary Francis and Chris Butner were also present.

The Committee reviewed and approved the minutes of the May 24, 2016 Committee meeting.

The Committee discussed the results of the 2016 proxy season generally and the Corporation's proxy season results. The Committee discussed the stockholder proposals received by the Corporation and reviewed the voting results for each proposal as well as voting results of similar proposals at other companies. The Committee also discussed the voting recommendations of the proxy advisory firms, Institutional Shareholder Services and Glass Lewis. Finally, the Committee discussed the stockholder engagement plan employed by the Corporation for the 2016 proxy season. The Committee noted that the Management Compensation Committee is conducting a thorough review of the results of the advisory vote on executive compensation.

The Committee then discussed the annual corporate governance assessment. The Committee expressed satisfaction generally with the Corporation's current governance structures. The Committee discussed the issue of Board tenure and mandatory retirement age and the use by companies of different retirement ages. The Committee requested that the Corporate Governance Department analyze the different retirement ages used by companies and report back to the Committee at a future meeting. The Committee then engaged in a detailed discussion regarding proposed enhancements to the Corporation's Corporate Governance Guidelines (i) to clarify that to avoid any potential conflict of interest or "over-boarding", Directors will not accept a seat on any additional public company board without first notifying the Chairman of the Board and the Lead Director; and (ii) to add a provision to further protect confidential information obtained in connection with service as a Director. The Committee determined to recommend that the Board adopt the following resolution:

**RESOLVED:** That, effective immediately, the Corporate Governance Guidelines 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 5 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 [http://www.chevron.com/investor/corporate\\_governance/contact\\_board.asp](http://www.chevron.com/investor/corporate_governance/contact_board.asp).

#### **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.

07/27/2016

The Committee also discussed the Non-Employee Directors' Equity Compensation and Deferral Plan and the need to file a registration statement with the SEC to register the issuance of the shares approved by the stockholders at the annual meeting. The Committee determined to recommend that the Board adopt the following resolutions:

**WHEREAS** at the 2016 annual meeting of stockholders, stockholders approved an amendment to the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan (the "Directors' Plan") to increase the number of shares of Chevron Corporation common stock authorized for issuance under the Directors' Plan by 800,000 shares ("Additional Shares");

**WHEREAS** it is desirable to file a registration statement on Form S-8 with the U.S. Securities and Exchange Commission ("SEC") to cover the issuance of the Additional Shares under the Plan,

**NOW THEREFORE BE IT**

**RESOLVED:** That eight hundred thousand (800,000) shares of common stock of the Corporation be authorized and reserved for issuance under the Directors' Plan and that upon issuance pursuant to the terms of the Directors' Plan, such shares be deemed validly issued, fully paid and nonassessable; and be it further

**RESOLVED:** That any officer of the Corporation is hereby authorized and empowered in the name and on behalf of the Corporation to prepare and execute, personally or by attorney-in-fact, and to cause to be filed with the SEC, one or more registration statements and/or post-effective amendments to registration statements, as appropriate, on Form S-8 under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Directors' Plan and the common stock issuable thereunder, and any amendments or supplements thereto, and to take all such other actions and to execute all such other documents, in each case as such officer may deem necessary or appropriate for compliance with the Securities Act; and be it further

**RESOLVED:** That any officer of the Corporation is hereby authorized and empowered in the name and on behalf of the Corporation to prepare, to execute and to cause to be filed with the New York Stock Exchange ("NYSE") one or more Supplemental Listing Applications and such other forms relating to the shares of Common Stock of the Corporation issuable under the Directors' Plan as may be required by the NYSE; and be it further

**RESOLVED:** That any officer of the Corporation is hereby authorized and directed to execute and deliver on behalf of the Corporation all such other agreements and documents, make all such filings and take all such actions as the officer deems necessary or appropriate in order to carry out and implement the foregoing resolutions.

The Committee also reviewed a recommended change to the Charter of the Management Compensation Committee to reflect that the Committee will review the strategy and supporting processes relating to management succession and related matters periodically rather than annually since the full Board is doing so regularly. The Committee concurred with the recommended change and determined to recommend, together with the Management Compensation Committee, that the Board adopt the following resolution:

**RESOLVED:** That, effective immediately, the Charter of the Management Compensation Committee of the Board of Directors be, and hereby is, amended and restated as follows:

**CHEVRON CORPORATION  
MANAGEMENT COMPENSATION COMMITTEE CHARTER**

**PURPOSE**

The purpose of the Management Compensation Committee (the “Committee”) of the Board of Directors of Chevron Corporation (the “Corporation”) is:

1. To discharge the responsibilities of the Board of Directors of the Corporation (the “Board of Directors”) relating to compensation of the Corporation’s executives;
2. To assist the Board of Directors in establishing the appropriate incentive compensation and equity-based plans and to administer such plans;
3. To review the annual Compensation Discussion and Analysis (the “CD&A”) and recommend to the Board of Directors that the CD&A be included in the Corporation’s annual proxy statement, and incorporated by reference into the Corporation’s Annual Report on Form 10-K; and
4. To perform such other duties and responsibilities enumerated in and consistent with this Charter.

**MEMBERSHIP AND PROCEDURES**

**Membership and Appointment**

The Committee shall comprise not fewer than two members of the Board of Directors, as shall be determined from time to time by the Board of Directors based on recommendations from the Board Nominating and Governance Committee, if any.

The members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Board Nominating and Governance Committee.

**Removal**

The entire Committee or any individual Committee member may be removed from office without cause by the affirmative vote of a majority of the Board of Directors. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board of Directors, the Corporate Secretary or the Board of Directors (unless the notice specifies a later time for the effectiveness of such resignation). If the resignation of a Committee member is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

## **Chairperson**

A chairperson of the Committee (the “Chairperson”) may be designated by the Board of Directors based upon recommendations by the Board Nominating and Governance Committee, if any. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings and shall have unlimited access to management and information. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

## **Secretary**

The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board of Directors and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a Director and shall have no membership or voting rights by virtue of the position.

## **Independence**

Each member shall meet the objective test of “independence” which has been established by the Board of Directors, or in the absence of such test, the Board of Directors shall make an individual determination that such Director is independent within the meaning of any applicable law or any listing standard or rule established by the New York Stock Exchange (the “NYSE”) and applicable to the Committee. In addition, each member shall qualify as an “outside director” as such term is defined in section 162(m) of the Internal Revenue Code of 1986 (as amended) and the regulations promulgated thereunder or any successor provisions thereto, and as a “non-employee director” as such term is defined in section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, or any successor provisions thereto.

## **Delegation**

The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or listing standard, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board of Directors when required.

## **Authority to Retain Advisers**

In the course of its duties, the Committee shall have the sole authority, at the Corporation’s expense, to retain, oversee, compensate (including the approval of fees) and terminate any compensation consultant, independent legal counsel or other adviser to the Committee, as the

Committee deems advisable. The Committee may select any such adviser only after considering all factors relevant to a determination of that adviser's independence from management, including the factors prescribed by applicable law or the NYSE. The Committee will consider these factors at least annually in connection with the adviser's continued retention.

### **Evaluation**

The Committee shall undertake an annual evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this Charter, which evaluation shall be reported to the Board of Directors.

### **DUTIES AND RESPONSIBILITIES**

The following shall be the common recurring duties and responsibilities of the Committee in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law or listing standard.

#### 1. Executive Compensation

The Committee shall:

- a) Review and approve corporate goals and objectives relevant to the compensation of the chief executive officer and other executive officers appraised above Group PSG 30 (the "other executive officers");
- b) Evaluate in conjunction with the Board Nominating and Governance Committee the Chief Executive Officer's performance in light of such goals and objectives at least annually and communicate the results to the independent Directors of the full Board of Directors;
- c) Recommend the amount and basis for the Chief Executive Officer's compensation levels based on the evaluation in (b) above (including annual salary, bonus, stock options and other direct and indirect benefits), with review and approval by the independent Directors of the full Board of Directors;
- d) Set the other executive officers' compensation levels (including annual salary, bonus, stock options and other direct and indirect benefits) with review and ratification by the independent Directors of the full Board of Directors;
- e) In determining the long-term incentive component of the Chief Executive Officer's and other executive officers' compensation, consider, among other items, the Corporation's performance and relative stockholder return, the value of similar incentive awards to chief executive officers and other executive officers at comparable companies and the compensation provided to the Corporation's Chief Executive Officer and other executive officers in the past;

- f) Establish and modify the terms and conditions of employment of executive officers of the Corporation, by contract or otherwise;
- g) Review new executive compensation programs;
- h) Monitor executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose;
- i) Establish and periodically review policies for the administration of executive compensation programs; and
- j) Modify, as necessary, any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance or not comparable to programs of peer businesses.
- k) Assess periodically stock ownership guidelines for executive officers and the executive officers' ownership relative to these guidelines, and make recommendations as appropriate.

2. Executive Compensation Plans

The Committee shall:

- a) Administer, and where appropriate, delegate authority to administer the executive compensation plans of the Corporation;
- b) Maintain sole discretionary authority to interpret provisions of the executive compensation plans;
- c) Establish all rules necessary or appropriate for implementing and conducting the executive compensation plans;
- d) Determine, as applicable in connection with the Corporation's executive compensation plans such matters as: eligibility for participation; the amount and timing of benefits; persons to receive awards; the amount, form and other conditions of awards; the manner and form of deferral elections; the creation and issuance of rights or options entitling holders thereof to purchase stock from the Corporation; or when appropriate authorize the purchase by the Corporation of its stock for allocation to the accounts of persons to whom such shares have been awarded;
- e) Carry out the provisions respecting misconduct for any Corporation Plans for which the Committee is the administrator;
- f) Administer existing grants under legacy executive compensation plans assumed by the Corporation;

- g) Administer other executive compensation plans that may be adopted from time to time;
- h) Recommend incentive-compensation plans and policies and equity-based plans and policies to the Board of Directors;
- i) Provide necessary approval to qualify for exemptions as may be established by the Securities and Exchange Commission under section 16 of the Securities Exchange Act of 1934;
- j) Provide necessary determinations in connection with executive compensation to qualify for tax deductions in excess of limitations under section 162(m) of the Internal Revenue Code; and
- k) Approve equity compensation plans not subject to stockholder approval under applicable listing standards.

3. The Committee shall review the annual Compensation Discussion and Analysis and recommend to the Board of Directors that the CD&A be included in the Corporation's annual proxy statement, and incorporated by reference into the Corporation's Annual Report on Form 10-K. As part of this review, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation as required by Section 14A of the Securities Exchange Act of 1934, as amended.

4. The Committee shall annually review compensation policies and practices of the Corporation, including non-executive programs, to determine whether any such policies or practices encourage excessive risk taking, or are reasonably likely to have a material adverse effect on the Corporation. As part of its review the Committee will consider the relative alignment of the Corporation's compensation policies and practices with stockholders' interests.

5. The Committee shall perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board of Directors, including, but not limited to, reviewing and discussing the Corporation's strategies and supporting processes for management succession planning, leadership development, executive retention and diversity and preparing or causing to be prepared any reports or other disclosure required with respect to the Committee by any applicable proxy or other rules of the Securities and Exchange Commission or any applicable listing standards.

#### **AMENDMENT**

This Charter and any provision contained herein may be amended or repealed by the Board of Directors.

APPROVED: Board of Directors  
DATE: July 27, 2016

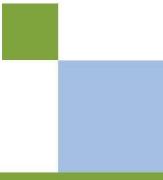
Randy Richards, Treasurer, and Bill Clutter, Assistant Treasurer, joined the meeting. Mr. Clutter reviewed the plan for the Corporation's renewal of the Directors' and Officers' insurance program expiring September 30, 2016 and responded to questions asked by the Committee members. The Committee discussed the recommendation to maintain the same structure as 2015, with Side A coverage in the amount of [ Redacted - ] Side A Difference in Conditions coverage in the amount of [ Redacted - ] and no Side B coverage. After discussion, the Committee concurred with the recommendation and expressed satisfaction with the direction of the renewal process. Mr. Clutter reported to the Committee that he would communicate back to the Committee with the results of the renewal. Mr. Richards and Mr. Clutter departed the meeting.

Mr. Watson and Mr. Laymon joined the meeting. The Committee discussed several potential Director candidates as part of the Committee's Director succession planning. Mr. Watson reported to the Committee about his meetings with Dr. Wanda Austin and Dr. Dambisa Moyo pursuant to the Committee's request at the May Committee meeting. Mr. Watson described the skills and qualifications of each of Dr. Austin and Dr. Moyo and explained how each would complement and enhance the existing skills and qualifications of the Board's overall composition. The Committee discussed the whitepapers relating to Dr. Austin and Dr. Moyo provided as pre-read to the Committee. After a thorough discussion, the Committee concluded that the Board can consider each of Dr. Austin and Dr. Moyo to be (i) independent as defined under the Corporation's Corporate Governance Guidelines, the New York Stock Exchange Corporate Governance Standards, and Rules 10A-3(b)(1)(ii) and 10C-1(b)(1) of the Securities Exchange Act of 1934, as amended; (ii) financially literate as required by the New York Stock Exchange Corporate Governance Standards; and (iii) an "audit committee financial expert" as defined under Item 407(d)(5) of Regulation S-K under the Securities Exchange Act of 1934. The Committee then determined to recommend to the Board that Dr. Austin and Dr. Moyo each be elected to the Board when each is available for Board service.

Ms. Francis and Mr. Butner departed the meeting, and the Committee met in executive session.

There being no further business, the meeting was adjourned.

Secretary



# Pearl Meyer

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## 2016 Non-Employee Director Compensation Review

November 28, 2016

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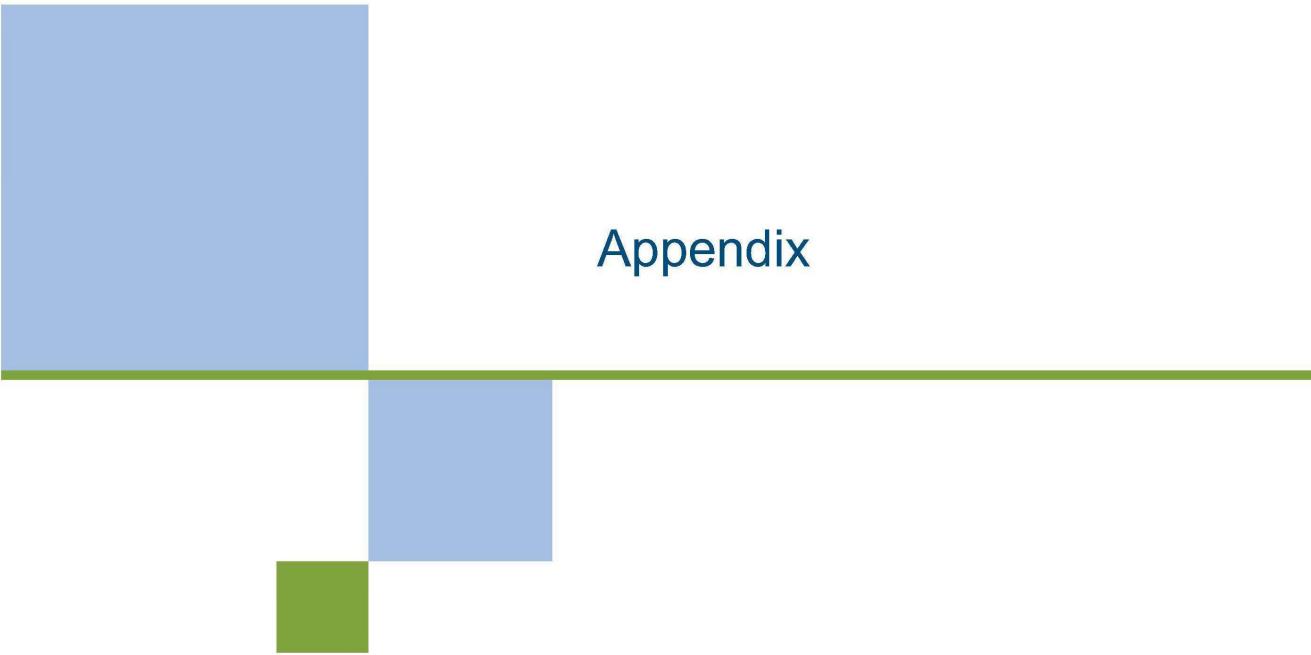
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CHEV-117HCOR-0129620

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# **Privileged – ACP/WP**



## Appendix

November 28, 2016 15

32

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**ANNUAL BOARD AND BOARD COMMITTEE  
PERFORMANCE EVALUATION PROCESS REVIEW**

**BOARD NOMINATING AND GOVERNANCE COMMITTEE  
DECEMBER 6, 2016**

The Board Nominating and Governance Committee is responsible for overseeing the annual performance evaluation of the Board and its committees as required by Chevron's Corporate Governance Guidelines, the committee charters, and the New York Stock Exchange Listing Standards. The performance evaluation is intended to stimulate thoughts regarding the performance and effectiveness of the Board and its committees and to provide an opportunity for Directors to identify improvements to Board and committee processes.

The Committee has used a written evaluation for the Board and Board Committee performance evaluations since 2003, when the NYSE first began requiring that Boards, nominating/governance committees, compensation committees, and audit committees conduct annual performance evaluations. The evaluation is updated annually. The evaluation seeks to identify whether change is needed in the qualifications of the Directors, the Board's oversight responsibility, the Board's conduct, the structure of the Board or committees, or the adequacy of the information provided to the Board and its committees. The evaluation is circulated and the results are compiled by the Corporate Secretary for the Committee's review. Since 2008, the Committee has supplemented the Board and Board Committee Performance Evaluation with individual conversations between the Lead Director and the individual members of the Board, providing an opportunity for dialogue regarding, among other things, individual Director performance.

The Committee has successfully used these tools to evaluate Board and Committees' effectiveness and highlight opportunities to strengthen the Board. At the December 6 Committee meeting, the Corporate Secretary will seek feedback and suggestions on the processes and content of the 2016 evaluation. A draft evaluation is attached. If the Committee determines to retain this evaluation process, the Corporate Secretary will incorporate the Committee's feedback into the evaluation, circulate it to individual Directors, gather and consolidate the responses, and submit a report to the Committee for review and discussion at its January 24 meeting. The Committee will review the recommendations and endorse any process changes as appropriate to the Board.

Corporate Secretary and  
Chief Governance Officer  
November 30, 2016

**CHEVRON CORPORATION**  
**2016 BOARD AND BOARD COMMITTEE PERFORMANCE EVALUATION**

3

Chevron's Corporate Governance Guidelines require the Board to conduct an annual self-evaluation to assess Chevron's Board and Board Committees' performance and effectiveness. This questionnaire has been designed to facilitate that self-evaluation for 2016. Please complete and return this questionnaire to the Corporate Secretary by January 3, 2017. **You are strongly encouraged to provide written comments.** The Corporate Secretary will consolidate all responses without attribution to individuals. Additionally, as part of the evaluation process, the Lead Director will call each Director to gather oral comments to supplement the written questionnaire. The Board Nominating and Governance Committee will review the results and present its recommendations to the Board for a discussion that will take place in January. Consistent with Chevron's document retention policies, upon completion of the evaluation process and the preparation of the minutes that serve as a written record of the process, all individual Director questionnaires will be destroyed.

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### **I. BOARD STRUCTURE**

1. A skills and qualifications matrix for our Independent Directors is posted to the Resource Center and attached at the end of this Evaluation. Does the Board as a whole possess the right skills and experience for the issues facing Chevron?

Yes       No

Comments:

- 1.1 The Director retirement age of 72 is appropriate.

Yes       No

Comments:

- 1.2 Diversity of age.

Yes       No

Comments:

**I. BOARD STRUCTURE cont.**

3

1.3 Diversity of gender and ethnicity.

Yes       No

Comments:

1.4 Leadership experience as a chief executive officer, senior executive or leader of significant business operations.

Yes       No

Comments:

1.5 Expertise in science/technology, engineering, research or academia.

Yes       No

Comments:

1.6 Extensive knowledge of governmental, regulatory, legal, or public policy issues.

Yes       No

Comments:

1.7 Expertise in finance, financial disclosure or financial accounting.

Yes       No

Comments:

**I. BOARD STRUCTURE cont.**

3

1.8 Experience in global business or international affairs.

 Yes       No

Comments:

1.9 Experience in environmental affairs.

 Yes       No

Comments:

1.10 Service as a public company board director.

 Yes       No

Comments regarding value and limits of service on other public company boards:

1.11 Overall size.

 Yes       No

Comments:

2. How satisfied are you with the time the Board has spent on Director succession?

Not Satisfied

Satisfied

Very Satisfied

2.1. Do you have any comments or suggestions regarding Director succession?

## II. KEY BOARD RESPONSIBILITIES

3. How satisfied are you with the Board's commitment to building stockholder value?

Not Satisfied

Satisfied

Very Satisfied

3.1. Do you have any comments or suggestions?

4. How satisfied are you with the process for reviewing the effectiveness of capital expenditures (reporting of results of operating company capital expenditures and regular tracking of the largest capital projects for the Board)?

Not Satisfied

Satisfied

Very Satisfied

4.1. Do you have any comments or suggestions for the review process or the look back reports?

5. How effective is Chevron's strategic planning process and your opportunity to have input into the overall strategy?

Not Effective

Effective

Very Effective

5.1. Do you have any comments or suggestions on this year's process?

6. How satisfied are you with Chevron's processes and controls for safeguarding assets and managing and identifying major risks and opportunities?

Not Satisfied

Satisfied

Very Satisfied

6.1. Do you have any comments or suggestions regarding risk management?

## II. KEY BOARD RESPONSIBILITIES cont.

7. How effective is the succession planning process for the CEO and senior executives, including the consideration of successors for positions in the event of an emergency and in five to ten years?

Not Effective

Effective

Very Effective

7.1 Do you have any comments or suggestions regarding succession planning?

8. How effective is the CEO evaluation process?

Not Effective

Effective

Very Effective

8.1 Do you have any comments or suggestions regarding the CEO evaluation?

9. Are you satisfied with your contacts with management outside of Board meetings and your opportunities to meet and observe potential successors to key management positions?

Yes

No

Comments:

10. Do you feel that the Board encourages a culture that promotes candid communication and rigorous decision-making?

Yes

No

Comments:

**II. KEY BOARD RESPONSIBILITIES cont.**

11. Are you satisfied with the means of communications between the Board and stockholders (large institutional investors and activist stockholders)?

Yes       No

Comments:

12. Do you believe it is effective for Directors to engage in direct communication with stockholders?

Yes       No

Comments:

13. Are you satisfied with the level of Chevron's disclosure, especially in regards to environmental, social and governance issues?

Yes       No

Comments:

**III. BOARD MEETINGS**

14. In 2016, the Board visited Chevron Gorgon and Wheatstone LNG facilities. Do you have any suggestions of operations/facilities you would like to visit in the future?

Yes       No

Comments:

### III. BOARD MEETINGS cont.

3

15. Regular business matters, special reports requested by Board members, annually scheduled topics and other known Board business are included with the Board agendas. How satisfied are you with the current Board agendas and with the information in written meeting materials?

Not Satisfied

Satisfied

Very Satisfied

15.1. Do you have any suggestions on additional subjects you would like covered or materials or information you would like provided?

15.2. Are there any subjects currently covered in Board meetings that you would like deleted from the agenda or that should be delegated to a Board Committee?

16. A week before a Board meeting, each Board member receives the agenda, any available pre-read, and the previous Board and Committee meeting draft minutes, with a cover letter highlighting important matters on the agenda. How satisfied are you with the information you receive before Board meetings?

Not Satisfied

Satisfied

Very Satisfied

16.1. What would you like added, eliminated or condensed?

17. Are you satisfied with the quality of the Board presentations?

 Yes No

Comments:

**III. BOARD MEETINGS cont.**

18. Is there sufficient time for questions and discussion at the Board meetings?

Yes       No

Comments:

19. How effective is the practice of having an executive session for independent Directors at the end of each regular meeting?

Not Effective       Effective       Very Effective

19.1. Do you have any comments or suggestions on this practice?

20. How satisfied are you with Director education and the in-depth briefings? In 2016, education and in-depth briefing topics included Gorgon project/operational updates; cyber security; future growth/wellhead pressure management projects; enterprise risk management; supplier risk management; global resource assessment; major capital projects performance improvement; financing and debt strategy; exploration and reserves; litigation; health, environment and safety; executive succession and development planning; competitor strategy; LNG market and ABU strategic trajectory; and Deep Water Gulf of Mexico exploration and development.

Not Satisfied       Satisfied       Very Satisfied

20.1. Do you have any suggestions on Director education and in-depth briefing topics you would like covered in 2017? Do you want any specific topics repeated or expanded?

#### IV. BOARD COMMITTEES' STRUCTURE AND PERFORMANCE

3

21. The Board has four committees: Audit; Board Nominating and Governance; Management Compensation; and Public Policy. Members serve staggered terms enabling Directors to rotate periodically to different committees. Committee chairmen serve four- to six-year terms to facilitate rotation. The Audit Committee meets approximately 9 times per year and Audit Committee members generally serve on only one committee. Each other committee meets three to five times per year, and committee members generally serve on two committees.

How effective are the committee structures, rotation of members and chairs, and operating procedures?

Not Effective

Effective

Very Effective

21.1. Do you have any comments regarding the Board Committee structure?

22. How effective was the Audit Committee in performing its responsibilities, as outlined in its committee charter?

Not Effective

Effective

Very Effective

22.1. Do you have any suggestions regarding subjects that should receive more or less committee focus, materials provided, or presentations and discussion?

23. How effective was the Board Nominating and Governance Committee in performing its responsibilities, as outlined in its committee charter?

Not Effective

Effective

Very Effective

23.1. Do you have any suggestions regarding subjects that should receive more or less committee focus, materials provided, or presentations and discussion?

#### IV. BOARD COMMITTEES' STRUCTURE AND PERFORMANCE cont.

24. How effective was the Management Compensation Committee in performing its responsibilities, as outlined in its committee charter?

Not Effective

Effective

Very Effective

24.1. Do you have any suggestions regarding subjects that should receive more or less committee focus, materials provided, or presentations and discussion?

25. How effective was the Public Policy Committee in performing its responsibilities, as outlined in its committee charter?

Not Effective

Effective

Very Effective

25.1. Do you have any suggestions regarding subjects that should receive more or less committee focus, materials provided, or presentations and discussion?

#### V. INDIVIDUAL RESPONSIBILITIES

26. Some key elements of individual Director performance are:

- a. Regular attendance;
- b. Adequate preparation;
- c. Understanding of Chevron's values, mission, strategy and business plans;
- d. Participation in discussion; and
- e. Independence of thought, comment, actions.

Please share any comments you have concerning these individual responsibilities.

27. Do you have any suggestions as to how we can help you be better prepared?

Yes

No

Comments:

## VI. OVERALL COMMENTS

3

28. Some key elements enabling the Board to successfully carry out its responsibilities are:

- a. Knowledge of Chevron Corporation and subsidiary operations;
- b. Knowledge of the technical and economic aspects of the industry;
- c. Insights into new technological trends and developments;
- d. Ability to understand and use Chevron's financial data;
- e. Familiarity with corporate law and tax matters;
- f. Familiarity with equity or debt financing matters; and
- g. Familiarity with international and U.S. politics and government and regulatory affairs.

How effective is the Board overall in bringing together these key elements?

Not Effective

Effective

Very Effective

28.1 Should Chevron provide any additional information, schedule additional presentations, or take any other steps to strengthen any of these elements? If so, which ones?

29. Are there any modifications to the corporate governance guidelines or other corporate governance issues you would like Chevron to consider?

 Yes No

Comments:

30. Are the stock ownership guidelines (see below) for Directors and Officers appropriate?

### Stock Ownership Guidelines:

Independent Directors – 7 times the annual cash retainer amount or 15,000 shares of stock or stock units after five years of service as a Director.

Officers – Targets are based on a multiple of base salary: CEO 5 times; Executive Vice Presidents and CFO 4 times; all other Executive Officers 2 times.

 Yes No

30.1 Comments:

**VI. OVERALL COMMENTS cont.**

3

31. What are the three most important things the Board should focus on next year?

32. How can management better assist the Board in carrying out its duties?

33. Is this questionnaire an effective tool for evaluating Board and Board committee processes and effectiveness?

Yes       No

Comments:

34. Please comment on any other areas you feel need improvement or have not been covered by this assessment. The Lead Director will be calling you, but feel free to contact the Lead Director to share comments or suggestions regarding individual Director performance, future Directors, or any other topics.

**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 2016 (to be updated after Dec. 6 and 7 mtgs)	FINANCIALLY LITERATE	FINANCIAL EXPERT
		AGE ON 5/31/2017	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	ENVIRONMENT				
WANDA M. AUSTIN	2027	62	Female / African American	Ph.D. in Industrial and Systems Engineering; M.S. in Systems Engineering and Mathematics; B.A. in Mathematics	President and CEO of The Aerospace Corporation		X	X	X	X	X		Yes	100%	Yes	No
LINNET F. DILEY	2018	71	Female	B.A. in Government; M.A. in International Management	Deputy U.S. 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		Yes	100%	Yes	Yes
ROBERT E. DENHAM	2018	71		B.A. in Government; M.A. in Government J.D.	Partner, Munger, Tolles & Olson LLP; Chairman & CEO, Salomon Inc.	Fomento Economico Mexicano, S.A. de C.V., New York Times Company, Oaktree Capital Group, LLC	X		X	X	X		Yes	94%	Yes	Yes
ALICE P. GAST	2030	58	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 Clinton and the U.S. Department of State			X	X	X	X	X	Yes	92%	Yes	No
ENRIQUE HERNANDEZ, JR.	2028	61	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	75%	Yes	Yes
JON M. HUNTSMAN, JR.	2032	57		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 Holdings Inc.	X		X		X	X	Yes	100%	Yes	No
CHARLES W. MOORMAN, IV	2024	65		B.S. in Civil Engineering M.B.A.	President and CEO of Amtrak; Chairman, CEO and President, Norfolk Southern Corporation	Duke Energy Corporation	X	X		X	X		Yes	100%	Yes	Yes
DAMBISA MOYO	2041	48	Female / African American	Ph.D. in Economics, MPA in Public Administration, MBA in Finance, B.S. in Chemistry	Economist, Founder and CEO of Milderston LLC;	Barclays plc, Barrick Gold Corporation, Seagate Technology plc		X	X	X	X	X	Yes	50%	Yes	Yes
RONALD D. SUGAR	2021	68		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	63		Marketing and Economics from Gothenburg University	Chairman, President and CEO of 3M Company	3M Company	X			X	X	X	Yes	93%	Yes	Yes

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# **Privileged – ACP/WP**

**Privileged – ACP/WP**

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CHEV-117HCOR-0129679

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

# **Privileged – ACP/WP**

## 2017 Stockholder proposals (as of December 6)

Proposal	Proponent (Shares)	Background
<b>Climate Proposals</b>		
<b>Report on Climate Change Impact Assessment</b>	Hermes EOS on behalf of its client BT Pension Scheme (66,825 shares) in cooperation with UMC Benefit Board represented by Wespath Investment Management (204,799 shares) and 2 co-filers	<ul style="list-style-type: none"> <li>Last year, this proposal was submitted by Legal &amp; General on behalf of Hermes EOS.</li> <li>Nearly verbatim proposal with updated supporting statement.</li> <li>Proposal received 40.8% support last year with support from both ISS and Glass Lewis.</li> </ul>
<b>Report on Assessment Climate Change and Transitioning to a Low Carbon Economy</b>	As You Sow on behalf of the Park Foundation	<ul style="list-style-type: none"> <li>New proposal requesting Chevron issue a report assessing how it can respond to climate change and as a result, transition to a low carbon economy.</li> <li>Proposal is similar to the Climate Change Impact Assessment and we are evaluating grounds to exclude it as duplicative and are engaging with the proponent for a potential withdrawal.</li> </ul>



## 2017 Stockholder proposals (as of December 6)

Proposal	Proponent (Shares)	Background
Environmental and Social		
<b>Lobbying Disclosure</b>	Philadelphia Board of Pensions (74,369 shares) and 2 co-filers	<ul style="list-style-type: none"> <li>Same proponent as last year and verbatim resolution with updated references in the supporting statement.</li> <li>Averaged 25% at the last 5 annual meetings and maintained the same support as last year.</li> <li>Both ISS and Glass Lewis continued their support.</li> </ul>
<b>Report on Adoption of a Policy to End Business with Governments that are Complicit in Genocide or Crimes Against Humanity</b>	Azzad Asset Management (83 shares)	<ul style="list-style-type: none"> <li>New resolution seeks a report evaluating the feasibility of adopting a policy of not doing business with governments that are complicit in genocide and/or crimes against humanity.</li> </ul>



## 2017 Stockholder proposals (as of December 6)

Proposal	Proponent (Shares)	Background
<b>Governance Proposals</b>		
<b>Independent Board Chairman</b>	Zevin Asset Management on behalf of its client Mary Laub UWO Trust (2,600 shares)	<ul style="list-style-type: none"> <li>• Proposal was inexplicably not submitted last year.</li> <li>• Drastically different supporting statement compared to the 2015 version--focuses on the Ecuador litigation as a main reason for having an independent chairman.</li> <li>• ISS recommended against the proposal in 2014 and 2015 under prior ISS policy, predicated on the Board's action in 2013 to bring Chevron's Lead Director duties into closer alignment with ISS' seven prescribed lead director duties. Glass Lewis continues to support this resolution.</li> </ul>
<b>Independent Director with Environmental Experience</b>	New York State Common Retirement Fund (5,388,945 shares)	<ul style="list-style-type: none"> <li>• Same proponent as last year and verbatim resolution.</li> <li>• Proposal received 18.8% support last year and has averaged 21% at the last 5 annual meetings.</li> <li>• Support for this proposal has steadily declined each year due, in part, to our enhanced focus during engagements on the Board's composition and succession planning processes.</li> <li>• ISS supported the proposal last year and Glass Lewis recommended against it.</li> </ul>



**NUMBER OF DIRECTORS**

**BOARD NOMINATING AND GOVERNANCE COMMITTEE**  
**DECEMBER 6, 2016**

**5**

We are recommending that the Board of Directors reduce the size of the Board to 11 Directors in light of the resignation of John G. Stumpf on October 17, 2016. With the addition of Dr. Dambisa Moyo, effective October 11, 2016, and Dr. Wanda Austin, effective December 1, 2016, the number of Directors increased to 12. With these recent additions to the Board, there is not a pressing need to fill the seat vacated by Mr. Stumpf. In the event the Committee determines do recommend this, a Board Resolution to reduce the size of the Board to 11 Directors is attached.

Corporate Secretary and  
Chief Governance Officer  
November 30, 2016

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF CHEVRON CORPORATION  
DECEMBER 7, 2016**

**5**

**RESOLVED:** That, effective December 7, 2016, the number of Directors of this Corporation shall be decreased to 11.

**CHEVRON CORPORATION**  
**CORPORATE GOVERNANCE GUIDELINES**  
**BOARD MEMBERSHIP CRITERIA**

5

The following are Board membership criteria delineated in the Corporate Governance Guidelines:

- 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.

07/27/2016

**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 2016 (to be updated after Dec. 6 and 7 mtgs)	FINANCIALLY LITERATE	FINANCIAL EXPERT
		AGE ON 5/31/2017	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	ENVIRONMENT				
WANDA M. AUSTIN	2027	62	Female / African American	Ph.D. in Industrial and Systems Engineering; M.S. in Systems Engineering and Mathematics; B.A. in Mathematics	President and CEO of The Aerospace Corporation		X	X	X	X	X		Yes	100%	Yes	No
LINNET F. DILEY	2018	71	Female	B.A. in Government; M.A. in International Management	Deputy U.S. 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		Yes	100%	Yes	Yes
ROBERT E. DENHAM	2018	71		B.A. in Government; M.A. in Government J.D.	Partner, Munger, Tolles & Olson LLP; Chairman & CEO, Salomon Inc.	Fomento Economico Mexicano, S.A. de C.V., New York Times Company, Oaktree Capital Group, LLC	X		X	X	X		Yes	94%	Yes	Yes
ALICE P. GAST	2030	58	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 Clinton and the U.S. Department of State			X	X	X	X	X	Yes	92%	Yes	No
ENRIQUE HERNANDEZ, JR.	2028	61	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	75%	Yes	Yes
JON M. HUNTSMAN, JR.	2032	57		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 Holdings Inc.	X		X		X	X	Yes	100%	Yes	No
CHARLES W. MOORMAN, IV	2024	65		B.S. in Civil Engineering M.B.A.	President and CEO of Amtrak; Chairman, CEO and President, Norfolk Southern Corporation	Duke Energy Corporation	X	X		X	X		Yes	100%	Yes	Yes
DAMBISA MOYO	2041	48	Female / African American	Ph.D. in Economics, MPA in Public Administration, MBA in Finance, B.S. in Chemistry	Economist, Founder and CEO of Miltstrom LLC;	Barclays plc, Barrick Gold Corporation, Seagate Technology plc		X	X	X	X	X	Yes	50%	Yes	Yes
RONALD D. SUGAR	2021	68		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	63		Marketing and Economics from Gothenburg University	Chairman, President and CEO of 3M Company	3M Company	X			X	X	X	Yes	93%	Yes	Yes

Confidential Treatment Requested  
Not For Circulation – Committee Members & Staff Only

CHEV-117HCOR-0129689

The following document entitled "**Chevron Potential Board Candidates**" was hand delivered at the meeting.

(five pages)

5



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5

## Potential Chevron Board Candidates

Board Directors Meeting – BN&GC

December 6, 2016

Private and Confidential

1

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CHEV-117HCOR-0129691

December 6, 2016  
Private and Confidential

5

Name	Title	Company	Page
<b>Redacted – Business Confidential (sensitive competitive information)</b>			

\* Denotes Board recommendation

Private and Confidential

2

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CHEV-117HCOR-0129692

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Executives	Background / Comments	Corporate Boards

5

**Redacted – Business Confidential  
(sensitive competitive information)**

Private and Confidential

3

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CHEV-117HCOR-0129693

Executives

Background / Comments

Corporate Boards

5

# **Redacted – Business Confidential (sensitive competitive information)**

Private and Confidential

4

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CHEV-117HCOR-0129694

Executives

Background / Comments

Corporate Boards

# **Redacted – Business Confidential (sensitive competitive information)**

5

Private and Confidential

5

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CHEV-117HCOR-0129695

**CHEVRON CORPORATION  
BOARD NOMINATING AND GOVERNANCE COMMITTEE  
2017 MEETING PLAN**

**January 24, 2017**

- Board and Board Committees' Performance Evaluation
- Board Nominating and Governance Committee's Performance Self-Evaluation
- Succession Planning for Directors and Director Candidate Review
- Responses to Stockholder Proposals (joint meeting with PPC)
- Stockholder Correspondence to Board Review
- Section 16 Insider Trading Transactions Review

6

**February 21, 2017 (Tentative)**

- Independence review relating to Audit Committee member (if needed)

**March 28, 2017**

- Independence and Related Person Transactions Review
- Board Committee Qualifications Determination
- Board Composition and Director Nominees Determination
- Board Committee Composition Review and Assignments
- Corporate Governance Disclosure for Proxy Statement
- Annual Determination of Statutory Insiders

**May 30, 2017**

- 2017 Retainer Options Black-Scholes Valuation Determination
- Review Preliminary Voting Results

**July 25, 2017**

- 2017 Proxy Season Review
- Annual Corporate Governance Assessment
- D&O Insurance Review
- Stockholder Correspondence to Board Review
- Section 16 Insider Trading Transactions Review

**December 5, 2017**

- Board and Board Committees Performance Evaluation Process Review
- 2018 Proxy Season Preview and Update on Engagement Plan
- Succession Planning for Directors and Director Candidate Review
- 2018 BN&GC Meeting Plan Review