



Harriet Wu

Secretary, Management Compensation Committee

Management Compensation Committee Meeting

November 23, 2020

Mr. E. Hernandez Jr., Chairman
Mr. J. Huntsman Jr.
Ms. D. Reed-Klages
Mr. R. Sugar
Mr. J. Umpleby

The next Management Compensation Committee (MCC) meeting will be held from 12:30PM – 1:45PM PST on Tuesday, December 1, 2020 virtually via video conference. The full agenda is included on the following page.

If you have any questions or would like to discuss any of the material prior to the meeting, please call me at your convenience.

Harriet Wu

Attachments

cc: Mr. M. K. Wirth
Ms. R. J. Morris
[REDACTED] Meridian Compensation Partners

Chevron Corporation

6001 Bollinger Canyon Road, San Ramon, CA 94583-2324
[REDACTED]

**CHEVRON BOARD OF DIRECTORS
COMMITTEE MEETING INFORMATION**

December 1, 2020

VIDEO CONFERENCE MEETING



Management Compensation Committee attendees,

We will be conducting the December 1st Management Compensation Committee meeting using WebEx for video, audio, and content-sharing. In case we experience network issues, please use the standard WebEx audio call in information.

Should you need assistance, please contact [REDACTED] Team Lead, Executive IT Support, at [REDACTED – PII]

WEBEX VIDEO CONFERENCE LINKS

FOR THE BEST WEBEX MEETING EXPERIENCE, WE SUGGEST THE FOLLOWING:

- Restart your computer or mobile device before joining the meeting
- Hardwire your computer to your network with an ethernet cable
- Reduce simultaneous streaming activities on your network
- Close unused background applications on your computer or device

Tuesday, December 1
12:30 p.m. Pacific Time

Management Compensation Committee
(Hernandez, Huntsman, Reed-Klages, Sugar, Umpleby)

10-15 minutes prior to the meeting start time, click this link to join the meeting in Webex:

[Join Meeting Now](#)

Note: for the most secure audio connection, please choose “Use Internet for Audio,” to ensure the call is encrypted.

CHEVRON SUPPORT CONTACTS

San Ramon Staff

[REDACTED] – Executive IT
[REDACTED] – Board Logistics
[REDACTED] – Diligent Administrator

[REDACTED – PII]

WEBEX AUDIO-ONLY CONNECTION

IN THE EVENT YOU ARE UNABLE TO CONNECT BY WEBEX VIDEO CONFERENCE, THE STANDARD CALL-IN INFORMATION IS BELOW.

(Note: this method of calling via phone line is not encrypted.)

Tuesday, December 1
12:30 p.m. Pacific Time

Management Compensation Committee

Webex Audio Only connection information:

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[REDACTED – PII]

Management Compensation Committee meeting agenda

Committee Members:

Mr. E. Hernandez Jr.
Mr. J. Huntsman Jr.
Ms. D. Reed-Klages
Mr. R. Sugar
Mr. J. Umpleby

Additional Attendees:

Mike Wirth, Chevron
Rhonda Morris, Chevron
Harriet Wu, Chevron
Pierre Breber, Chevron
[REDACTED] Committee Consultant

Logistics:

December 1, 2020
12:30PM – 1:45PM PST
By Video Conference

| Tab | Topic |
|-----|--|
| 1 | Approval of July 28, 2020 MCC minutes* |
| 2 | Management personnel proposals* |
| 3 | Enterprise transformation personnel selection diversity update |
| 4 | Annual review of Chevron's executive compensation position by Committee Consultant (Executive summary) |
| 5 | Review and approval of 2021 executive salary structure, executive CIP targets, LTIP grant sizing methodology, and LTIP grant targets for PSG 47 and below* |
| 6 | 2020 business performance review |
| 7 | 2020 ExCom members provisional performance review (verbal) |
| 8 | CIP 162(m) provision |
| 9 | 2021 compensation design changes preview |
| 10 | MCC charter update* |
| 11 | Stock ownership annual update |
| 12 | Compensation Discussion and Analysis (CD&A) and NEOs for 2021 proxy statement |
| | Executive session |

Appendix: [Chevron 2020 Executive benchmarking detailed results by Committee Consultant Reference material](#)

*MCC decision needed



CHEVRON CORPORATION
MANAGEMENT COMPENSATION COMMITTEE
July 28, 2020

Members Present: Mr. E. Hernandez Jr., Chairman
Ms. D. Reed-Klages
Mr. R. Sugar
Mr. J. Umpleby

Members Absent: None

The meeting was held virtually at 4:15 P.M., chaired by Mr. Enrique Hernandez Jr. The Committee's independent consultant, [REDACTED] of Meridian Compensation Partners was in attendance. Also present were Mr. Michael Wirth, Ms. Rhonda Morris and Ms. Harriet Wu.

Mr. Hernandez highlighted the major decisions pending for the July meeting with the Committee members and then referenced the minutes from the March 24th meeting and asked if there were any changes the Committee wanted to make. With no changes proposed, the Committee approved the minutes as submitted.

Then the MCC appointed Harriet Wu as the Committee Secretary effective July 28, 2020.

Next, the Committee reviewed and approved a separation payment for one executive [REDACTED - PII] [REDACTED - PII] a compensation action for one personnel proposal [REDACTED - PII] and was informed of two lateral personnel movements [REDACTED - PII]

Ms. Morris then responded to the Committee's inquiry in March by providing an update of the enhanced diversity and inclusion measures the company implemented during the enterprise transformation selection events. Ms. Morris also shared the selection demographics for senior leaders [REDACTED - PII]. The Committee was pleased with the diversity progress and had no further questions.

Next, the MCC reviewed the best practices checklist and confirmed that the Committee fulfilled all core duties during the 2019 compensation and reporting cycle. Ms. Wu reviewed the proposed charter revision, which the Committee endorsed for the Board Nominating and Governance Committee (BN&GC) to review and recommend for full Board approval in September 2020.

Mr. Hernandez turned the meeting over to Mr. Wirth to review Chevron's operational performance and Chevron Incentive Program (CIP) performance measures for the first half of the performance year. Mr. Wirth covered several financial and non-financial measures and referenced that further details and dialogue around company performance would occur in the full Board meeting. Given the unique challenges due to COVID-19 and industry volatility, Mr. Wirth also shared potential considerations in evaluating 2020 CIP payout. The Committee reached consensus not to amend the CIP performance measures given the uncertainty and that the current CIP framework provides adequate structure and flexibility to determine an appropriate outcome that balances performance, affordability and employee recognition.

Next, [REDACTED] led the Committee through an informational update on industry compensation trends, and current considerations in light of COVID-19 and market volatility. [REDACTED] highlighted how Chevron's programs were well suited to address these conditions without significant exceptions or plan revisions. He also highlighted the importance of clear messaging for internal communications and external disclosures. Additional material in [REDACTED] report addressed industry compensation outcomes from the 2019 cycle and reported program changes for 2020.

At this point, Ms. Morris, Ms. Wu and [REDACTED] were excused from the meeting. Mr. David Cohen, Chevron's Chief Compliance Officer, entered the meeting.

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Mr. Wirth and Mr. Cohen were then excused.

During the executive session, the Committee conducted a self-evaluation and an evaluation of the independent consultant.

There being no further business, Mr. Hernandez adjourned the meeting at 5:15 P.M.

Approved by the Management Compensation Committee

E. Hernandez Jr., Chairman

December 2020 - MCC Personnel Proposal Summary

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MANAGEMENT PERSONNEL PROPOSALS

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Approved by the Management Compensation Committee

E. Hernandez Jr., Chairman



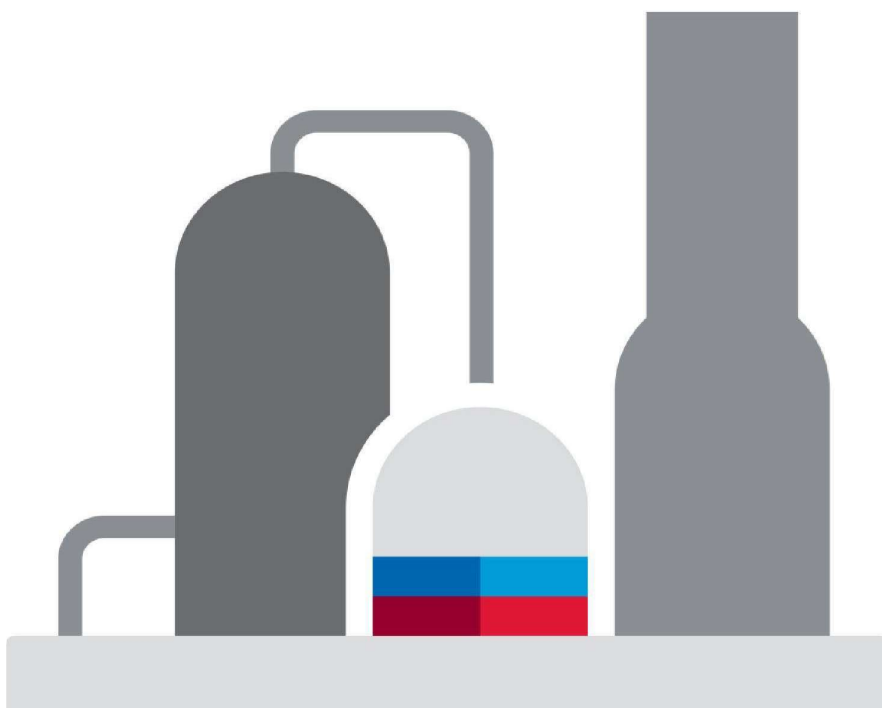
Enterprise transformation selection diversity update

Management Compensation Committee

December 1, 2020

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Enterprise transformation selection diversity update

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Enterprise transformation selection diversity update

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Chevron Corporation ■ December 2020

Current Trends and External Benchmarks

Executive Summary

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Chairman and Chief Executive Officer Oil and Non-Oil Benchmarks



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2021 executive salary structure, CIP target, LTIP grant sizing methodology, and LTIP target proposal

Management Compensation Committee
December 1, 2020

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Discussion and decision topics

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Appendix



Estimated 2021 TR package values

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January 2021 compensation approval flow

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Appendix - 2021 executive salary program considerations

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2020 Corporate CIP Preview (Scorecard)

Chevron Board of Directors
Management Compensation Committee

December 1, 2020

Based on estimated 2020 results per Controllers 9+3 Forecast. LTIP competitor group for Corporate CIP report consists of BP, ExxonMobil, Royal Dutch Shell and Total. LTIP competitive comparisons are as of 3Q20. Figures rounded.

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2020 CIP Performance Measures Scorecard

| Category | Weight | Performance Measures | 2020 Plan (not publicly disclosed) | Estimated 2020 Results vs. Plan Highlights ⁽¹⁾ | Results | Raw Score (0.0 – 2.0) | Weighted Score | | |
|------------------------------------|--------|--|--|---|---------------------|--------------------------|----------------|--|--|
| Financials | 40% | Earnings ⁽²⁾ | Redacted – Business Confidential (sensitive competitive information) | | | TBD | TBD | | |
| | | Cash flow ⁽³⁾ | | | | | | | |
| | | Divestiture Proceeds | | | | | | | |
| Capital Management | 30% | Return on capital employed | | | | TBD | TBD | | |
| | | Organic capital & exploratory expenditures | | | | | | | |
| | | Major Milestones | | | Permian | | | | |
| | | | | | FGP / WPMP | | | | |
| | | | | | USGC Petrochemicals | | | | |
| Operating Performance | 15% | Net production, excluding impact of divestments ⁽⁴⁾ | | | | TBD | TBD | | |
| | | Non-fuel operating expenses + SG&A expenses, excluding transportation ⁽⁵⁾ | | | | | | | |
| | | Refining utilization, including joint ventures and affiliates | | | | | | | |
| Health, Environmental & Safety | 15% | Personal safety | | | | TBD | TBD | | |
| | | Process safety and environmental | | | | | | | |
| | | GHG Management | | | | | | | |
| Corporate Performance Rating Range | | | | | | TBD | | | |
| MCC Discretionary Adjustment | | | | | | | | | |
| Final Corporate Performance Rating | | | | | | | | | |

1) "Results" refer to on track / met / exceeded Plan (green); on track / met Plan with some gaps (yellow); or not on track / did not meet (red). Factors the following thresholds (vs. Plan): green: 2-3%, yellow: < 10%, red: >10%. "Plan" refers to Board-approved Business Plan (\$60/bbl Brent price). Estimated 2020 Brent outlook is \$40/bbl and \$37/bbl for 4Q20. Relative peer comparisons based on externally disclosed results through 3Q20. Figures rounded.

2) Normalized earnings exclude market factors beyond control of management, including price, refining & petrochemical margins (not adjusted for COVID)

- 1) "Results" refer to on track / met / exceeded Plan (green); on track / met Plan with some gaps (yellow); or not on track / did not meet (red). Factors the following thresholds (vs. Plan): green: 2-3%, yellow: < 10%, red: >10%. "Plan" refers to Board-approved Business Plan (\$60/bbl Brent price). Estimated 2020 Brent outlook is \$40/bbl and \$37/bbl for 4Q20. Relative peer comparisons based on externally disclosed results through 3Q20. Figures rounded.
- 2) Normalized earnings exclude market factors beyond control of management, including price, refining & petrochemical margins (not adjusted for COVID volume destruction), foreign exchange, and uncontrollable tax impacts. Comparison more accurately measures controllable performance.
- 3) Cash from operating activities excludes proceeds from asset sales. Normalized cash from operating activities adjusted for Brent price impact and DS&C market / price effects (not adjusted for COVID volume destruction).
- 4) Production growth range assumes a \$60/bbl Brent price.
- 5) Non-fuel operating expense, excluding transportation costs, used as an internal metric to measure controllable performance. Full-year outlook adjusted to exclude transportation costs (annualized 9mo20 actuals) and include severance accruals and Noble estimates. For external Proxy Statement disclosure, measure will align with Income Statement – includes purchased fuel and transportation cost while excludes own-use fuel.





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2020 ExCom members provisional performance review

Management Compensation Committee
December 1, 2020

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2020 ExCom members provisional performance review

Verbal update by Mike K. Wirth in the meeting



2020 CIP – Funding Limitation for Named Executive Officers (NEOs)

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MCC – December 2020



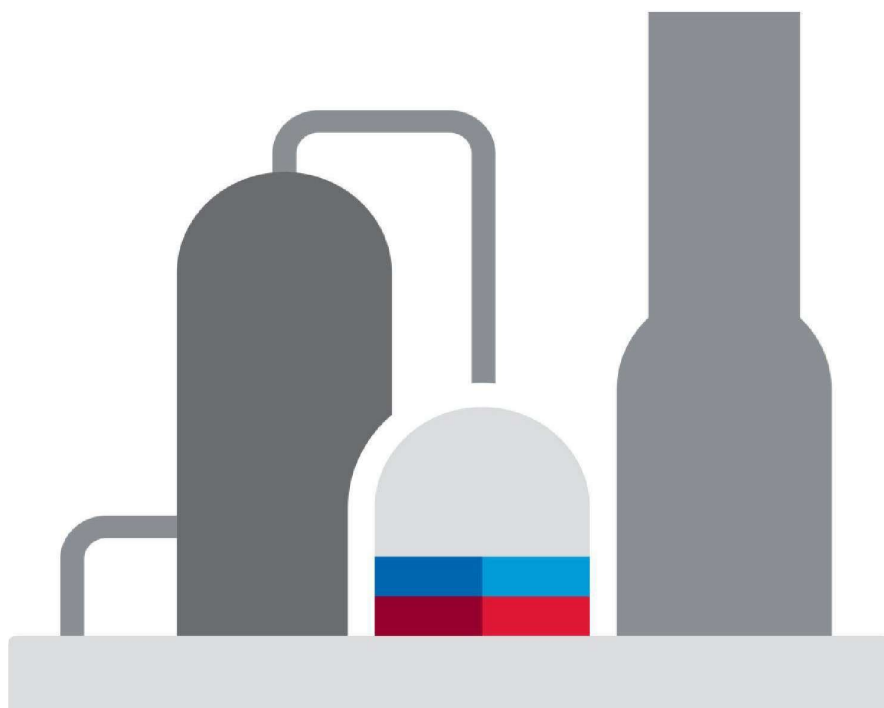
2021 compensation design changes preview

Management Compensation Committee

December 1, 2020

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2021 compensation design changes preview

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2021 compensation design changes preview

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Overview

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2020 annual stock ownership update

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MCC – December 2020



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2021 compensation discussion & analysis (CD&A) and named executive officers (NEOs)

Management Compensation Committee
December 1, 2020

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Discussion and decision topics

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2021 CD&A structure overview

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2021 proposed CD&A timeline

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Actual dates may vary slightly from planning dates





Executive session clawback resolutions

Management Compensation Committee

December 1, 2020

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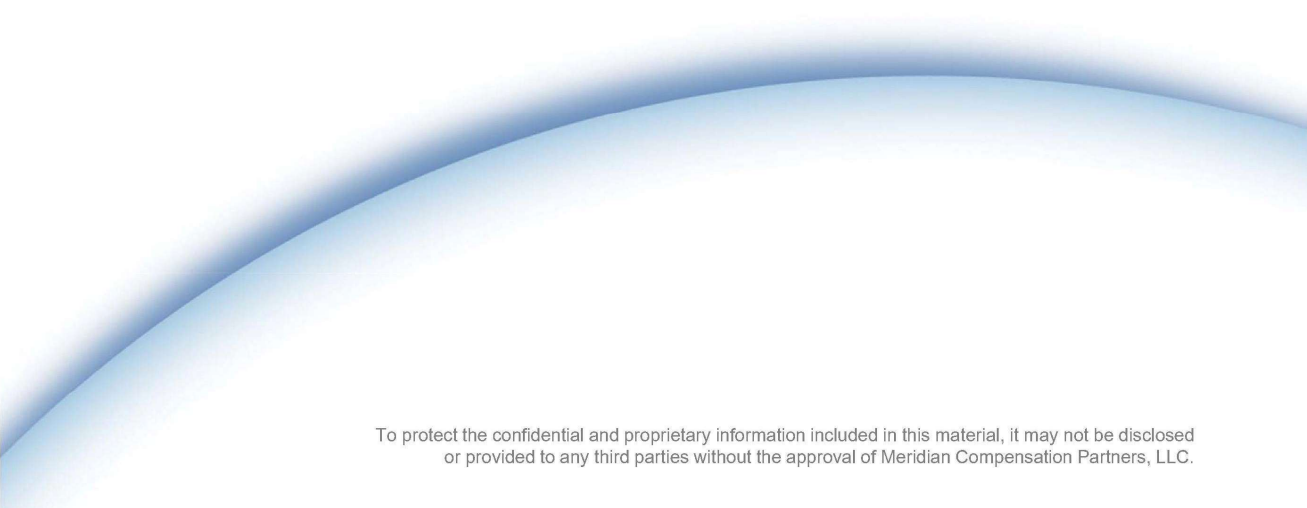
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Chevron Corporation ■ December 2020

Detailed External Benchmarking Results

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Chairman and Chief Executive Officer Oil and Non-Oil Benchmarks



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Other Executives (Grades 41-47) Oils and Non-Oil Benchmarks



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MCC calendar & agenda topics

| | December | January | March | July |
|--|--|---|--|---|
| Competitive Analysis | Chevron competitive position | | Peer group review | Mid-year compensation and governance trends update |
| Base Salary | PSG 41+ salary structure | PSG 41+ salary actions | | |
| CIP/Bonus | Preview <ul style="list-style-type: none"> Business performance ExCom member performance PSG 41+ targets | Final <ul style="list-style-type: none"> Business performance ExCom member performance Corp. rating PSG 41+ awards CIP metrics | | Mid-year business performance |
| LTIP | <ul style="list-style-type: none"> Sizing methodology Targets PSG 47 & below | <ul style="list-style-type: none"> Performance share payouts LTIP grants | | |
| Governance and Disclosures | <ul style="list-style-type: none"> Stock ownership CD&A update | Tally sheets | <ul style="list-style-type: none"> CD&A approval Risk Assessment | <ul style="list-style-type: none"> Charter Self-evaluation (best practices checklist) |
| Stockholder engagement updates as needed | | | | |



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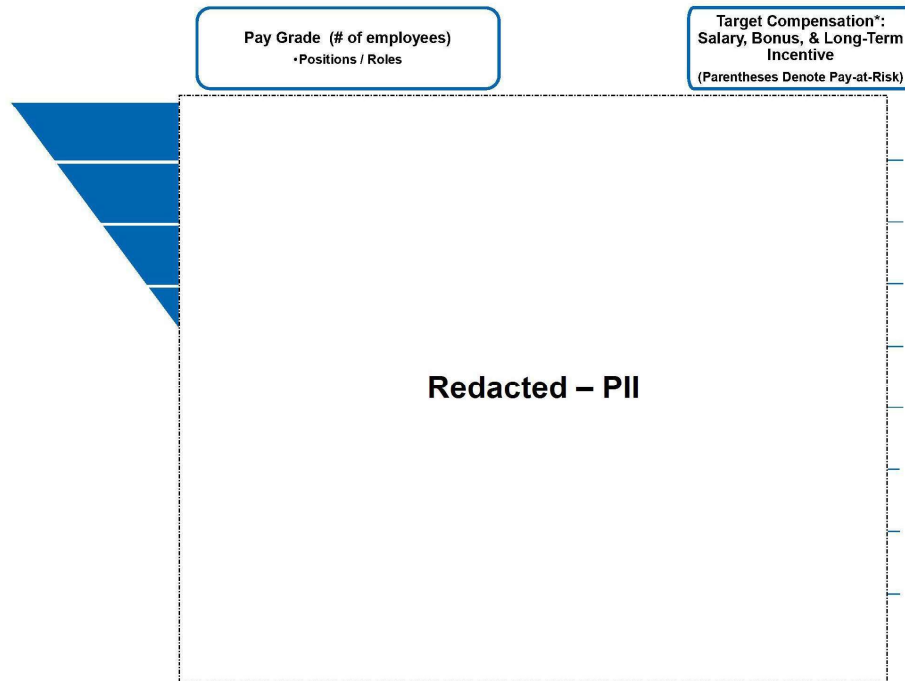
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| Updated December 2020 | Confident |

ROSTER OF EXECUTIVE POSITIONS AND INCUMBENTS BY SALARY GRADE (EFF November 2020)

| EXECUTIVE | PSG | POSITION TITLE | EXECUTIVE | PSG | POSITION TITLE |
|----------------|-----|----------------|----------------|-----|----------------|
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Executive population distribution, target compensation and pay-at-risk (December 2020)



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