



Mary A. Francis
Corporate Secretary and Chief Governance Officer

July 18, 2018

CLASSIFIED

Dr. Ronald D. Sugar, Chairperson
Dr. Wanda M. Austin
Dr. Alice P. Gast
Mr. D. James Umpleby III

Re: Board Nominating and Governance Committee Meeting

I include in this distribution the [agenda](#) and supporting materials for the Board Nominating and Governance Committee meeting to be held at 9:45 a.m. on Tuesday, July 24 in Casa Palmero – Private Dining Room, Pebble Beach, California.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Francis", written in a cursive style.

Enclosures

cc: Mr. Michael K. Wirth
Mr. R. Hewitt Pate

Corporate Governance
Chevron Corporation
6001 Bollinger Canyon Road, San Ramon, CA 94583



**CHEVRON CORPORATION
BOARD NOMINATING AND GOVERNANCE COMMITTEE**

**JULY 24, 2018, 9:45 A.M. – 10:45 A.M.
CASA PALMERO – PRIVATE DINING ROOM
PEBBLE BEACH, CALIFORNIA**

AGENDA

Time	Tab	Topic
9:45 a.m.	1.	<u>Minutes</u> Review and approve the minutes of the May 29, 2018, Committee meeting.
9:50 a.m.	2.	<u>2018 Retainer Stock Option Award</u> <div style="border: 1px dashed black; padding: 10px; text-align: center;"> Privileged – ACP/WP </div>
9:55 a.m.	3.	<u>2018 Proxy Season and Annual Meeting Review</u> Review 2018 proxy season highlights and Chevron's proxy season and annual meeting results.
10:00 a.m.	4.	<u>Annual Assessment of Chevron's Corporate Governance Practices</u> <div style="border: 1px dashed black; padding: 10px; text-align: center;"> Privileged – ACP/WP </div>
10:25 a.m.	5.	<u>2018 Directors and Officers Insurance Renewal Update</u> (By Phone: Randy Richards, Treasurer, and Bill Clutter, Assistant Treasurer) Review and discuss the Directors and Officers liability insurance policy renewal.
10:35 a.m.	6.	<u>Director Succession Planning</u> Discuss Director succession planning and potential Director nominees.
10:45 a.m.		Adjourn
		<u>Informational Items:</u> 7. <u>Correspondence to the Board, January 1, 2018 through June 30, 2018</u> 8. <u>Section 16 Insider Trading Transactions, January 1, 2018 through June 30, 2018</u>

DRAFT

**CHEVRON CORPORATION
BOARD NOMINATING AND GOVERNANCE COMMITTEE
MAY 29, 2018**

MINUTES

Members present:	Ronald D. Sugar, Chairman Wanda M. Austin Linnet F. Deily (by phone) Alice P. Gast Inge G. Thulin D. James Umpleby III
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Dr. Sugar chaired the meeting. Mary Francis and Chris Butner were also present.

The Committee reviewed and approved the minutes of the March 27, 2018, Committee meeting.

The Committee then considered the form of option agreement and the fair value of stock options to be issued to Directors electing to receive options in lieu of all or a portion of the cash retainer under the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan. On motion duly seconded, the Committee adopted the following resolutions:

WHEREAS, the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan, as amended ("Directors' Plan"), and Rules Governing Awards under the Directors' Plan ("Directors' Plan Rules") provide for the grant of retainer options to Directors who made prior elections to receive retainer options in lieu of all or any portion of their annual cash retainer, with such grants to occur on the date of the Annual Meeting of Stockholders;

WHEREAS, Messrs. John B. Frank, Enrique Hernandez, Jr., and Inge G. Thulin have elected under the Directors' Plan Rules to receive retainer options in lieu of all or a portion of the annual cash retainer for the term beginning with the 2018 Annual Meeting of Stockholders;

WHEREAS, the Directors' Plan Rules provide that the retainer options will be for that number of shares determined by dividing the amount of the annual cash retainer subject to the election by the Restricted Stock Option Fair Grant Value (as defined in the Rules);

WHEREAS, the Directors' Plan Rules provide that the Restricted Stock Option Fair Grant Value shall be the value of an option granted at fair market value as determined at the Committee's discretion using Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation (ASC 718) (formerly FAS 123R) with the same model and assumptions that Chevron uses in preparing its financial statements; and

WHEREAS, the Directors' Plan Rules further provide that the Committee is responsible for determining the terms and conditions of the retainer options not otherwise specified in the Rules;

NOW, THEREFORE, BE IT

RESOLVED: That upon their election to the Board on May 30, 2018 (the “Grant Date”), Messrs. John B. Frank, Enrique Hernandez, Jr., and Inge G. Thulin shall each receive, pursuant to the terms of the Director’s Plan, that number of retainer options determined by dividing \$75,000, \$175,000, and \$150,000, respectively, by the Restricted Stock Option Fair Grant Value; and be it further

RESOLVED: That the Restricted Stock Option Fair Grant Value shall be calculated by Willis Towers Watson using the Black-Scholes valuation model with the following valuation inputs: the closing price of Chevron common stock on May 30, 2018, the expected life of an option of 6.5 years, the historical volatility rate of Chevron common stock as calculated as of May 30, 2018, the dividend yield as calculated as of May 30, 2018, and the risk-free interest rate (constant maturity treasuries) as of May 30, 2018; and be it further

RESOLVED: That the terms and conditions of the retainer options shall be as set forth in the form of the 2018 Retainer Option Agreement presented to the Committee and attached hereto as [Appendix A](#).

The Committee then discussed the preliminary voting results for the 2018 Annual Meeting of Stockholders.

The Committee reviewed and discussed the proposed change to the schedule for Board meetings. After a thorough discussion, the Committee determined to recommend that the Board adopt the following resolution:

RESOLVED: That the Directors of the Corporation shall hold regular meetings at 7:00 a.m. at the principal office of the Corporation, unless otherwise specified in advance by the Chairman, on the last Wednesday of the month in January, March, May, July, and September and on the first Wednesday of the month in December, effective May 30, 2018; and be it further

RESOLVED: That the Directors of the Corporation shall hold telephonic meetings at 9:00 a.m. (Pacific time), unless otherwise specified in advance by the Chairman, on the last Wednesday of the month in April and October, effective May 30, 2018; and be it further

RESOLVED: That the preceding resolutions supersede the resolutions adopted by the Board on September 26, 2007, with respect to the Board meeting schedule.

Mr. Wirth joined the meeting. Mr. Wirth reported to the Committee that he met with Redacted – Business as requested by the Committee. The Committee concluded that Redacted – Business would be a highly desirable Board candidate and determined to continue pursuing her candidacy. The Committee also discussed several other potential Director nominees.

Ms. Francis and Mr. Butner departed the meeting, and the Committee met privately with Mr. Wirth. Mr. Wirth then departed the meeting, and the Committee met in executive session.

There being no further business, the meeting was adjourned.

Secretary

Appendix A

**CHEVRON CORPORATION
NON-EMPLOYEE DIRECTORS' EQUITY COMPENSATION AND DEFERRAL PLAN**

2018 Retainer Option Agreement

Name of Director: [Name]

Please sign below and return this Agreement.

Chevron Corporation has made the following grant to you, subject to the terms of the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan, as amended (the "Plan"), and rules adopted under it (the "Rules"). Both documents are incorporated into this Agreement and copies are available to you on the Chevron Diligent Boards portal or on request. By signing this Agreement and accepting this grant, you are agreeing to all the terms and conditions of the Plan and the Rules.

1. Date of Grant: May 30, 2018.
2. The Exercise Price is \$[XXX.XX] ⁽¹⁾ per share, which is the Fair Market Value of the Shares subject to this Retainer Option on the Date of Grant.
3. The number of Shares subject to this Retainer Option is [X,XXX] Shares, subject to adjustment as provided in Section X of the Plan.
4. This Retainer Option is a nonstatutory stock option.
5. This Retainer Option vests as follows: 50 percent on November 30, 2018, and the remaining 50 percent on the earlier of the last day of the Annual Compensation Cycle to which the Grant relates or May 30, 2019.
6. This Retainer Option becomes exercisable on May 30, 2019.
7. This Retainer Option is transferable as provided in Section VI of the Plan and Section VII of the Rules.
8. This Retainer Option will expire ten years from the Date of Grant, or such earlier date as it expires or is forfeited pursuant to Section III of the Rules under the Plan.

IN WITNESS WHEREOF, Chevron Corporation has caused this Agreement to be executed on its behalf by its duly authorized representative and the Director has executed the same on the day and year indicated below.

Date: _____	By: _____ Mary A. Francis
Date: _____	By: _____ [Director Name]

⁽¹⁾ The Exercise Price is the closing price of Chevron Corporation common stock on May 30, 2018.

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Directors & Officers (D&O) Insurance 2018 renewal planning

Randy Richards

Vice President & Treasurer

Bill Clutter

Assistant Treasurer, Insurance

Board Nominating and Governance Committee

July 24, 2018

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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 2017	FINANCIALLY LITERATE	FINANCIAL EXPERT
		AGE ON 5/30/2018	GENDER / ETHNICITY				CEO / SR EXEC / LEADER OF SIGNIFICANT BUSINESS OPERATIONS	SCIENCE / TECHNOLOGY / ENGINEERING / RESEARCH / ACADEMIA	GOVERNMENT / REGULATORY / LEGAL / PUBLIC POLICY	FINANCE / DISCLOSURE / FINANCIAL ACCOUNTING	GLOBAL BUSINESS / INTL. AFFAIRS	ENVIRON- MENT				
RONALD D. SUGAR	2021	69		Ph.D. in Electrical Engineering, M.S. in Electrical Engineering, B.S. in Electrical Engineering	Chairman, CEO and President of Northrop Grumman Corporation; President and COO of Litton Industries, Inc.; President and COO of TRW Aerospace and Information Systems	Air Lease Corporation, Amgen Inc., Apple Inc.	X	X	X	X	X	X	Yes	100%	Yes	Yes
CHARLES W. MOORMAN IV	2024	66		M.B.A., B.S. in Civil Engineering	President and CEO of Amtrak; Chairman, CEO and President of Norfolk Southern Corporation	Duke Energy Corporation, Oracle Corporation	X	X	X	X		X	Yes	100%	Yes	Yes
INGE G. THULIN	2026	64		Marketing and Economics from Gothenburg University	Chairman, President and CEO of 3M Company	3M Company; Merck & Co., Inc.	X	X		X	X	X	Yes	100%	Yes	Yes
WANDA M. AUSTIN	2027	63	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	Amgen Inc.	X	X	X	X	X		Yes	100%	Yes	No
ENRIQUE HERNANDEZ, JR.	2028	62	Hispanic	J.D., B.A. in Government and Economics	Chairman, President and CEO of Inter-Con Security Systems, Inc.; Co-founder and Principal Partner of Interspan Communications	McDonald's Corporation	X		X	X	X		Yes	100%	Yes	Yes
JOHN B. FRANK	2029	61		J.D., B.A. History	Vice Chairman, Oaktree Capital Group, LLC; Partner, Munger, Tolles & Olson LLP	Oaktree Capital Group, LLC; Oaktree Specialty Lending Corporation; Oaktree Strategic Income Corporation	X		X	X	X		Yes	100%	Yes	Yes
ALICE P. GAST	2030	60	Female	Ph.D. in Chemical Engineering, M.S. in Chemical Engineering, B.S. in Chemical Engineering	President of Imperial College London, President of Lehigh University; VP for Research and Associated Provost at Massachusetts Institute of Technology; Science envoy appointed by U.S. Secretary of State Hillary Rodham Clinton and the U.S. Department of State			X	X	X	X	X	Yes	100%	Yes	No
D. JAMES UMPLBY III	2030	60		B.S. in Mechanical Engineering, Executive Leadership Program, Int'l Institute for Management Development	CEO and Director of Caterpillar Inc.	Caterpillar Inc.	X	X		X	X	X	Yes	n/a	Yes	Yes
DAMBISA F. MOYO	2041	49	Female / African American	Ph.D. in Economics, MPA in Public Administration, M.B.A. in Finance, B.S. in Chemistry	Economist, Founder and CEO of Midstorm LLC;	Barclays plc		X	X	X	X	X	Yes	100%	Yes	Yes

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as of July 18, 2018

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Section 16 Insider Transactions
January 1, 2018 - June 30, 2018

Transaction Date	Reporting Person	Transaction Type	Shares
6/14/2018	Johnson, Jay W.	Stock option exercise and sale pursuant to a 10b5-1 plan	4,750
05/30/2018	Austin, Wanda M.	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/30/2018	Frank, John B.	Annual grant of restricted stock units and grant of retainer options in lieu of a portion of the annual cash retainer on the day of the Annual Meeting	6,158
05/30/2018	Gast, Alice P.	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/30/2018	Hernandez Jr., Enrique	Annual grant of restricted stock units and grant of retainer options in lieu of the annual cash retainer on the day of the Annual Meeting	11,898
05/30/2018	Moorman, Charles W.	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/30/2018	Moyo, Dambisa F.	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/30/2018	Sugar, Ronald D.	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/30/2018	Thulin, Inge G.	Annual grant of restricted stock units and grant of retainer options in lieu of the annual cash retainer on the day of the Annual Meeting	10,463
05/30/2018	Umpleby, D. James	Annual grant of restricted stock units on the day of the Annual Meeting	1,853
05/25/2018	Breber, Pierre R.	Quarterly acquisition from deferral of salary and annual deferral of the Chevron Incentive Plan (CIP) during the insider trading window	5,486
05/25/2018	Moorman, Charles W.	Quarterly acquisition from deferral of cash retainer during the insider trading window	358
05/22/2018	Johnson, Jay W.	Stock option exercise and sale during the insider trading window	9,500
05/17/2018	Deily, Linnet F.	Gift of stock during the insider trading window	1,800
05/14/2018	Breber, Pierre R.	Stock option exercise and sale during the insider trading window	25,000
05/11/2018	Geagea, Joseph C.	Stock option exercise and sale during the insider trading window	12,000
05/11/2018	Moorman, Charles W.	Gift of stock during the insider trading window	125
05/11/2018	Yarrington, Patricia E.	Stock option exercise and sale during the insider trading window	135,000

Section 16 Insider Transactions
January 1, 2018 - June 30, 2018

Transaction Date	Reporting Person	Transaction Type	Shares
05/09/2018	Geagea, Joseph C.	Stock option exercise and sale during the insider trading window	12,000
05/09/2018	Pate, R. Hewitt	Stock option exercise and sale during the insider trading window	25,500
05/07/2018	Geagea, Joseph C.	Stock option exercise and sale during the insider trading window	12,000
05/07/2018	Wirth, Michael K.	Stock option exercise and sale during the insider trading window	130,000
05/03/2018	Pate, R. Hewitt	Gift of stock during the insider trading window	1,000
04/17/2018	Pate, R. Hewitt	Stock option exercise and sale pursuant to a 10b5-1 plan	25,500
03/05/2018	Breber, Pierre R.	Quarterly acquisition from deferral of salary and annual deferral of the Long Term Incentive Plan (LTIP) during the insider trading window	5,221
03/05/2018	Moorman, Charles W.	Quarterly acquisition from deferral of cash retainer during the insider trading window	387
03/01/2018	Umpleby, D. James	Prorated grant of restricted stock units upon joining the Board	496
01/31/2018	Breber, Pierre R.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	60,580
01/31/2018	Geagea, Joseph C.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	60,580
01/31/2018	Johnson, Jay W.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	78,670
01/31/2018	Ourada, Jeanette L.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	26,320
01/31/2018	Pate, R. Hewitt	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	55,390
01/31/2018	Wirth, Michael K.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	208,530
01/31/2018	Yarrington, Patricia E.	Annual Long Term Incentive Plan (LTIP) grant of stock options and restricted stock units	60,580

Section 16 Insider Transactions
January 1, 2018 - June 30, 2018

Transaction Date	Reporting Person	Transaction Type	Shares
01/28/2018	Breber, Pierre R.	Vesting of restricted stock units	7,700
01/28/2018	Johnson, Jay W.	Vesting of restricted stock units	14,700
01/28/2018	Ourada, Jeanette L.	Vesting of restricted stock units	2,280
01/28/2018	Pate, R. Hewitt	Vesting of restricted stock units	11,180
01/28/2018	Wirth, Michael K.	Vesting of restricted stock units	14,700