CHEVRON CORP
Form DEF 14A
April 12, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Chevron Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of the 2012 Annual Meeting

and

2012 Proxy Statement

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Notice of the 2012

Annual Meeting of Stockholders

Meeting Date:	Wednesday, May 30, 2012
Meeting Time:	8:00 a.m., PDT
Location:	Chevron Park Auditorium 6001 Bollinger Canyon Road San Ramon, California 94583-2324
Record Date:	Wednesday, April 4, 2012

Agenda

- Elect 11 Directors;
- Ratify the appointment of the independent registered public accounting firm;
- Vote, on an advisory basis, on named executive officer compensation;
- Vote on eight stockholder proposals, if properly presented at the Annual Meeting; and
- Transact any other business that may be properly brought before the Annual Meeting.

Admission

All stockholders are invited to attend the Annual Meeting. To be admitted, you will need a form of photo identification and an admission ticket, valid proof of ownership of Chevron common stock, or a valid legal proxy. Please refer to pages 6 and 7 of this Proxy Statement for information about attending the Annual Meeting. Seating at the Annual Meeting will be available on a first-come basis.

Voting

Stockholders owning Chevron common stock at the close of business on Wednesday, April 4, 2012, or their legal proxy holders, are entitled to vote at the Annual Meeting. Please refer to pages 1 through 5 of this Proxy Statement for information about voting at the Annual Meeting.

On or about Thursday, April 12, 2012, we will mail to our stockholders either (1) a copy of this Proxy Statement, a proxy card and our Annual Report or (2) a Notice of Internet Availability of Proxy Materials, which will indicate how to access our proxy materials and vote on the Internet.

By Order of the Board of Directors,

Lydia I. Beebe

Corporate Secretary and

Chief Governance Officer

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Chevron Corporation

6001 Bollinger Canyon Road

San Ramon, California 94583-2324

Thursday, April 12, 2012

2012 Proxy Statement

General Information

Your Board of Directors is providing you with these proxy materials in connection with the solicitation of proxies to be voted at Chevron Corporation s 2012 Annual Meeting of Stockholders and at any postponement or adjournment of the Annual Meeting. In this Proxy Statement, Chevron may also be referred to as we, our, the Company or the Corporation.

ITEMS OF BUSINESS TO BE CONSIDERED AT THE ANNUAL MEETING

Your Board is asking you to take the following actions at the Annual Meeting:

Item	Your Board s Recommendation
Elect 11 Directors named in this Proxy Statement	Vote FOR
Ratify the appointment of the independent registered public accounting firm	Vote FOR
Vote, on an advisory basis, on named executive officer compensation	Vote FOR
Vote on eight stockholder proposals, if properly presented	Vote AGAINST

APPOINTMENT OF PROXY HOLDERS

Your Board asks you to appoint John S. Watson, R. Hewitt Pate and Lydia I. Beebe as your proxy holders, each with full power of substitution, to vote your shares at the Annual Meeting. **You make this appointment by voting the proxy card provided to you using one of the voting methods described below.**

If you sign and return a proxy card with voting instructions, the proxy holders will vote your shares as you direct on the matters described in this Proxy Statement. If you sign and return a proxy card without voting instructions, they will vote your shares as recommended by your Board.

Unless you indicate otherwise on the proxy card, you also authorize your proxy holders to vote your shares on any matters that are not known by your Board as of the date of this Proxy Statement and that may be properly presented for action at the Annual Meeting.

RECORD DATE; WHO CAN VOTE

Stockholders owning Chevron common stock at the close of business on Wednesday, April 4, 2012, the Record Date, or their legal proxy holders, are entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 1,972,674,191 shares of Chevron common stock outstanding and entitled to vote at the Annual Meeting. Each outstanding share of Chevron common stock is entitled to one vote.

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General Information *(Continued)*

HOW TO VOTE

Stockholders can vote by mail, telephone, Internet or in person at the Annual Meeting.

Stockholders of Record	Street Name Stockholders	Employee Plan Participants
If you hold your shares in your own name through Chevron s transfer agent, Computershare Shareowner Services LLC, you can most conveniently vote by telephone, Internet or mail. Please review the voting instructions on your proxy card.	If you own your shares through a bank, broker or other holder of record, you can most conveniently vote by telephone, Internet or mail. Please review the voting instructions on your voting instruction form.	If you own your shares through participation in an employee stock or retirement benefit plan, you can most conveniently vote by telephone, Internet or mail. Please review the voting instructions contained in the email sent to your work address or in the materials you receive through the U.S. Postal Service.
If you vote by telephone or on the Internet, you do not need to return your proxy card. Telephone and Internet voting are available 24 hours a day and will close at 11:59 p.m. EDT on Tuesday, May 29, 2012.	You can vote in person at the Annual Meeting ONLY if you obtain a proxy, executed in your favor, from the bank, broker or other holder of record through which you hold your shares. **Your Board recommends that you vote using one of the other voting methods, since it is not practical for most stockholders to attend the Annual Meeting.**	Telephone and Internet voting are available 24 hours a day and will close at 11:59 p.m. EDT on Thursday, May 24, 2012, or other cut-off date as determined by the plan trustee.
You can vote in person at the Annual Meeting by completing, signing, dating and returning your proxy card in person at the Annual Meeting. **Your Board recommends that you vote using one of the other voting methods, since it is not practical for most stockholders to attend the Annual Meeting.**		You can vote in person at the Annual Meeting ONLY if you obtain a proxy, executed in your favor, from the trustee of the plan through which you hold your shares. **Your Board recommends that you vote using one of the other voting methods, since it is not practical for most stockholders to attend the Annual Meeting.**

Important Notice Regarding the Availability of Proxy Materials for

the Shareholder Meeting to Be Held on May 30, 2012:

The Notice of 2012 Annual Meeting, 2012 Proxy Statement and

2011 Annual Report are available at www.proxyvote.com.

This year, we are again furnishing proxy materials over the Internet to a number of our stockholders under the Securities and Exchange Commission s notice and access rules. Many of our stockholders will receive a Notice of Internet Availability of Proxy Materials instead of a paper copy of this Proxy Statement and our 2011 Annual Report. The Notice contains instructions on how to access those documents and vote over the Internet and how stockholders can receive a paper copy of our proxy materials, including this Proxy Statement, our 2011 Annual Report and a proxy card or voting instruction card. All stockholders who do not receive a Notice will receive a paper copy of the proxy materials by mail. We believe that this process will conserve natural resources and reduce the costs of

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General Information *(Continued)*

printing and distributing our proxy materials. At www.proxyvote.com, stockholders can view these materials, cast their vote, and request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. **We remind stockholders who receive a Notice that the Notice is not itself a proxy card.**

We encourage you to vote on the Internet or by telephone. Both are convenient and save us significant postage and processing costs. The telephone and Internet voting procedures are designed to verify that you are a stockholder by use of a control number and to allow you to confirm that your voting instructions have been properly recorded. In addition, when you vote on the Internet or by telephone prior to the meeting date, your vote is recorded immediately and there is no risk that postal delays will cause your vote to arrive late and therefore not be counted.

Please Vote

Your vote is important. Voting early helps ensure that we receive a quorum of shares necessary to hold the Annual Meeting. Many stockholders do not vote, so the stockholders who do vote influence the outcome of the election in greater proportion than their percentage ownership of Chevron.

Revoking Your Voting Instructions. Stockholders can revoke their proxy or voting instructions as follows.

Stockholders of Record	Street Name Stockholders	Employee Plan Participants
Send a written statement revoking your proxy to Chevron Corporation, Attn: Corporate Secretary and Chief Governance Officer, 6001 Bollinger Canyon Road, San Ramon, California 94583-2324;	Notify your bank, broker or other holder of record in accordance with that entity s procedures for revoking your voting instructions.	Notify the trustee of the plan through which you hold your shares in accordance with its procedures for revoking your voting instructions.
Submit a proxy card with a later date and signed as your name appears on your account;		
Vote at a later time by telephone or the Internet; or		
Vote in person at the Annual Meeting.		

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

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General Information *(Continued)*

QUORUM, VOTE REQUIRED AND METHOD OF COUNTING

A quorum, which is a majority of the outstanding shares of Chevron common stock as of the Record Date, must be present to hold the Annual Meeting. A quorum is calculated based on the number of shares represented at the meeting, either by the stockholders attending in person or by the proxy holders. If you indicate an abstention as your voting preference in all matters, your shares will be counted toward a quorum but will not be voted on any matter.

Important Reminder of Effect of Not Casting Your Vote

If you are a street name stockholder and do not vote your shares, your bank, broker or other holder of record can vote your shares at its discretion ONLY on Item 2 ratification of the appointment of the independent registered public accounting firm. If you do not give your bank, broker or other holder of record instructions on how to vote your shares on Item 1 or Items 3 through 11, your shares will not be voted on those matters.

If you have shares in an employee stock or retirement benefit plan and do not vote those shares, your trustee may or may not vote your shares, in accordance with the terms of the plan.

The required vote and method of calculation for the various business matters to be considered at the Annual Meeting are as follows:

Item 1 Election of Directors

Each Director nominee who receives a majority of the votes cast (i.e., the number of shares voted for a Director nominee must exceed the number of shares voted against that Director nominee, excluding abstentions) will be elected a Director. However, if the number of Director nominees exceeds the number of Directors to be elected, the Directors shall be elected by a plurality of the shares present in person or by proxy at the Annual Meeting or any adjournment thereof and entitled to vote on the election of Directors. If you do not wish your shares to be voted with respect to a particular Director nominee, you may abstain by so indicating in the space provided on the proxy card or voting instruction form or abstain as prompted during the telephone or Internet voting instructions.

Under Chevron s By-Laws, in an uncontested election any current Director who receives more against votes than for votes must submit an offer of resignation to the Board of Directors. The Board Nominating and Governance Committee must then consider all relevant facts, including the Director s qualifications and past and expected future contributions, the overall composition of the Board, and whether Chevron would meet regulatory or similar requirements without the Director, and make a recommendation to the Board on what action to take with respect to the offer of resignation.

Item 2 Ratification of the Appointment of the Independent Registered Public Accounting Firm

This item is approved if the number of shares voted in favor exceeds the number of shares voted against.

Item 3 Advisory Vote to Approve Named Executive Officer Compensation

This item is approved as a nonbinding recommendation to the Board if the number of shares voted in favor exceeds the number of shares voted against. Although the vote on this item is nonbinding, as

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General Information *(Continued)*

provided by law, your Board will review the results of the vote and, consistent with our record of stockholder engagement, will take it into account in making a determination concerning executive compensation.

Items 4 through 11   Stockholder Proposals

A stockholder proposal is approved as a nonbinding recommendation to the Board if the number of shares voted in favor exceeds the number of shares voted against.

Any shares not voted on Item 1 or Items 3 through 11 (whether by abstention, broker nonvote or otherwise) will have no impact on that particular item.

VOTE RESULTS

At the Annual Meeting we will announce preliminary voting results for those items of business properly presented. Within four business days of the Annual Meeting we will disclose the preliminary results (or final results, if available) in a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission.

METHOD AND COST OF SOLICITING AND TABULATING VOTES

Chevron will bear the costs of soliciting and tabulating your votes. Chevron has retained Broadridge Financial Solutions, Inc., to assist in distributing these proxy materials. Georgeson Inc. will act as our proxy solicitor in soliciting votes at an estimated cost of $27,000 plus additional fees for telephone and other solicitation of proxies and its reasonable out-of-pocket expenses. Chevron employees, personally, by telephone, by email or otherwise, may solicit your votes without additional compensation.

Chevron will reimburse banks, brokers and other holders of record for reasonable, out-of-pocket expenses for forwarding these proxy materials to you, according to certain regulatory fee schedules. We estimate that this reimbursement will cost Chevron almost $2 million. The actual amount will depend on variables such as the number of proxy packages mailed, the number of stockholders receiving electronic delivery and postage costs. See Electronic Access to Proxy Statement and Annual Report below for information on how you can help reduce printing and mailing costs.

Broadridge Financial Solutions, Inc., will be the proxy tabulator, and IVS Associates, Inc., will act as the Inspector of Election.

HOUSEHOLDING INFORMATION

We have adopted a procedure approved by the U.S. Securities and Exchange Commission called householding. Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the Annual Report and Proxy Statement or Notice of Internet Availability of Proxy Materials. This procedure will reduce our printing costs and postage fees.

If you or another stockholder of record with whom you share an address are receiving multiple copies of the Annual Report and Proxy Statement or Notice of Internet Availability of Proxy Materials, you can request to receive a single copy of these materials in the future by calling Broadridge Financial Solutions, Inc., toll-free at 1-800-542-1061 or by writing to Broadridge Financial Solutions, Inc.,

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General Information *(Continued)*

Attn: Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you or another stockholder of record with whom you share an address wishes to receive a separate Annual Report and Proxy Statement or Notice of Internet Availability of Proxy Materials, we will promptly deliver it to you if you request it by contacting Broadridge Financial Solutions, Inc., in the same manner as described above.

Stockholders who participate in householding will continue to receive separate proxy cards. Householding will not affect your dividend check mailings.

If you are a street name stockholder, you can request householding by contacting your bank, broker or other holder of record through which you hold your shares.

ELECTRONIC ACCESS TO PROXY STATEMENT AND ANNUAL REPORT

You can elect to receive future proxy materials by email, which will save us the cost of producing and mailing documents to you. If you choose to receive future proxy materials by email, you will receive an email with instructions containing a link to the website where those materials are available as well as a link to the proxy voting website.

Stockholders of Record	Street Name Stockholders
You may enroll in the electronic delivery service by going directly to www.icsdelivery.com/cvx.	Please check the information provided in the proxy materials mailed to you by your bank, broker or other holder of record concerning the availability of this service.
You may revoke your electronic delivery election at this site at any time and request a paper copy of the Proxy Statement and Annual Report.	

STOCKHOLDER OF RECORD ACCOUNT MAINTENANCE

Computershare Shareowner Services LLC recently acquired Chevron s transfer agent, BNY Mellon Shareowner Services. All communications concerning accounts of stockholders of record, including address changes, name changes, inquiries about the requirements to transfer shares and similar issues, can still be handled by calling Chevron Stockholder Services toll-free number, 1-800-368-8357, or by contacting Computershare through its website at
www-us.computershare.com/investor.

When you access your account through Computershare s website, you can view your current balance, access your account history, sell shares held in the Chevron Investor Services Program, and obtain current and historical stock prices. To access your account on the Internet, you will need your Investor ID and your PIN. The Investor ID can be found on your account statement or dividend check stub.

If you are a street name stockholder, you may contact your bank, broker or other holder of record with questions concerning your account.

ATTENDING THE ANNUAL MEETING

Only stockholders or their legal proxy holders are invited to attend the Annual Meeting. The meeting will be held at the Chevron Park Auditorium, 6001 Bollinger Canyon Road, San Ramon, California 94583-2324.

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General Information *(Concluded)*

To be admitted to the Annual Meeting, you will need a form of photo identification and an admission ticket, valid proof of ownership of Chevron common stock, or a valid legal proxy.

Stockholders of Record	Street Name Stockholders
An admission ticket is attached to your proxy card.	To be admitted to the Annual Meeting, you must present proof of your ownership of Chevron common stock, such as a recent bank or brokerage account statement.
If you plan to attend the Annual Meeting, please vote your proxy, but keep your admission ticket and bring it with you to the Annual Meeting.	You can obtain an admission ticket in advance by mailing a written request, along with proof of your ownership of Chevron common stock, to Chevron Corporation, Attn: Corporate Secretary and Chief Governance Officer, 6001 Bollinger Canyon Road, San Ramon, California 94583-2324.
If you arrive at the Annual Meeting without an admission ticket, we will admit you only if we are able to verify that you are a stockholder.	

If you are not a stockholder, you will be admitted only if you have a valid legal proxy and form of photo identification. If you are receiving a legal proxy from a stockholder of record, you must bring a form of photo identification and a legal proxy from the record holder to you. If you are receiving a legal proxy from a street name stockholder, you must bring a form of photo identification, a legal proxy from the record holder (i.e., the bank, broker or other holder of record) to the street name stockholder that is assignable, and a legal proxy from the street name stockholder to you. Each stockholder may appoint only one proxy holder to attend on their behalf.

No cameras, recording equipment, electronic devices (including cell phones), purses, large bags, briefcases or packages will be permitted in the Annual Meeting. Attendees will be asked to pass through a security screening device prior to entering the Annual Meeting.

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Election of Directors

(Item 1 on the proxy card)

Your Board is nominating the 11 individuals identified below for election as Directors. Directors are elected annually and serve for a one-year term and until their successors are elected. If any nominee is unable to serve as a Director, which we do not anticipate, the Board by resolution may reduce the number of Directors or choose a substitute.

THE DIRECTOR NOMINATION PROCESS

The Board Nominating and Governance Committee is responsible for recommending to the Board the qualifications for Board membership and identifying, assessing and recommending qualified Director candidates for the Board s consideration. The Board membership qualifications and nomination procedures are set forth in Chevron s Corporate Governance Guidelines, which are available on the Chevron website at www.chevron.com. Generally, the Board is seeking individuals with the following qualifications:

- the highest professional and personal ethics and values, consistent with The Chevron Way and our Business Conduct and Ethics Code, both of which are available on the Chevron website at www.chevron.com;
- broad experience or expertise at the policy-making level in business, governmental, educational, technological, environmental or public interest issues;
- the ability to provide insights and practical wisdom based on the individual s experience and expertise;
- a commitment to enhancing stockholder value;
- sufficient time to effectively carry out duties as a Director (service on boards of public companies should be limited to no more than five); and
- independence (at least a majority of the Board must consist of independent Directors, as defined by the New York Stock Exchange (NYSE) Corporate Governance Standards).

The Committee uses a skills and qualifications matrix to ensure that the overall Board maintains a balance of knowledge and experience. The Committee carefully reviews all Director candidates, including current Directors, in light of these qualifications based on the context of the current and anticipated composition of the Board, the current and anticipated operating requirements of the Company, and the long-term interests of stockholders. In conducting this assessment, the Committee considers diversity, education, experience, length of service and such other factors as it deems appropriate given the current and anticipated needs of the Board and the Company. The Committee and Board define diversity broadly to include diversity of professional experience (policy, business, government, education, technology, environment or public interest), geographical location and viewpoint, as well as diversity of race, gender, nationality and ethnicity.

The Committee considers all candidates recommended by our stockholders. Stockholders may recommend candidates by writing to the Corporate Secretary and Chief Governance Officer at 6001 Bollinger Canyon Road, San Ramon, California 94583-2324, stating the recommended candidate s name and qualifications for Board membership. When considering candidates recommended by stockholders, the Committee follows the same Board membership qualifications evaluation and nomination procedures discussed above.

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Election of Directors *(Continued)*

In addition to stockholder recommendations, the Committee considers Director candidates identified for

consideration for nomination to the Board from other sources. Board members periodically suggest possible candidates, and from time to time, the Committee may engage a third-party consultant to assist in identifying potential candidates. The Committee has retained Russell Reynolds Associates to assist it with identifying potential candidates. Russell Reynolds interviewed current Directors, evaluated the Board s current and future makeup and needs, and has worked with the Committee to develop a list of potential candidates.

For several years, the Committee and Board have been planning for the retirements of several directors under Chevron s mandatory Director Retirement Policy contained in our Corporate Governance Guidelines. Messrs. Armacost, Jenifer and Nunn retired in 2011. Messrs. Eaton, Rice and Shoemate will retire in 2012 effective at the Annual Meeting. In light of these expected retirements and the Board s operating requirements, the Board increased the number of Directors from 12 directors in 2005 to 16 directors as of 2010. In 2011, the Committee recommended a Board size of 13 Directors. In connection with the 2012 Annual Meeting, the Committee recommended a Board size of 11 Directors. Ten of the 11 Director nominees are current Directors; one Director nominee Mr. Moorman is a new nominee. Mr. Moorman was identified by our current nonemployee Directors as part of the Board Nominating and Governance Committee s regular process for identifying potential Director nominees.

NOMINEES FOR DIRECTOR

Your Board unanimously recommends a vote FOR each of these nominees.

LINNET F. DEILY

Director since 2006

Ms. Deily, age 66, was a Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization from 2001 to 2005.

Prior Positions Held: Ms. Deily was Vice Chairman of Charles Schwab Corporation from 2000 until 2001. She was previously President of the Schwab Retail Group from 1998 until 2000 and President of Schwab Institutional Services for Investment Managers from 1996 until 1998. Prior to joining Schwab, she was Chairman, Chief Executive Officer and President from 1990 until 1996 and President and Chief Operating Officer from 1988 until 1990 of the First Interstate Bank of Texas.

Current Public Company Directorships: Honeywell International Inc.

Prior Public Company Directorships (within the last five years): Alcatel-Lucent S.A. (and its predecessor, Lucent Technologies Inc.).

Other Directorships, Trusteeships and Memberships: Houston Endowment, Inc.; Houston Museum of Fine Arts; Houston Zoo; Jung Center of Houston.

Qualifications, Experience, Attributes and Skills: Ms. Deily meets all of the Director qualifications described above under The Director Nomination Process. In particular, Ms. Deily has significant policy-making and international affairs experience, including experience with environmental issues, based in part on her work as a Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization.

In the latter role Ms. Deily oversaw the negotiation of various environmental issues

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Election of Directors *(Continued)*

before the WTO. In addition, she has experience leading major public corporations, first as Chairman, Chief Executive Officer and President of the First Interstate Bank of Texas and later as Vice Chairman of Charles Schwab Corporation. Ms. Deily also has significant financial expertise and experience gained through the various positions she held at Charles Schwab Corporation and First Interstate Bank of Texas.

ROBERT E. DENHAM

Lead Director;

Director since 2004

Mr. Denham, age 66, has been a Partner of Munger, Tolles & Olson LLP, a law firm, since 1998 and from 1973 until 1991.

Prior Positions Held: Mr. Denham was Chairman and Chief Executive Officer of Salomon Inc from 1992 until 1997. He joined Salomon Inc in 1991, as General Counsel of Salomon and its subsidiary, Salomon Brothers.

Current Public Company Directorships: Fomento Económico Mexicano, S.A. de C.V.; The New York Times Company; Oaktree Capital Group, LLC; UGL Limited.

Prior Public Company Directorships (within the last five years): Alcatel-Lucent S.A. (and its predecessor, Lucent Technologies Inc.); Wesco Financial Corporation.

Other Directorships, Trusteeships and Memberships: Chairman, John D. and Catherine T. MacArthur Foundation; Vice Chairman, Good Samaritan Hospital of Los Angeles; James Irvine Foundation; New Village Charter School; Russell Sage Foundation.

Qualifications, Experience, Attributes and Skills: Mr. Denham meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Denham brings to the Board extensive board and senior executive level expertise in accounting, law, business and finance as a result of his nearly 42-year career as a lawyer, Chief Executive Officer at Salomon Inc, and Chairman and President of the Financial Accounting Foundation, a position he held from 2004 to 2009. Mr. Denham has also held numerous leadership positions with associations and councils focusing on governance, executive compensation, accounting, professional ethics and business. Mr. Denham also brings to the Board extensive experience with environmental issues: while representing buyers and sellers in complex mergers and acquisitions; as CEO of Salomon Inc owner of refiner Basis Petroleum and commodities trader Phibro Inc. during Mr. Denham s tenure; as a former Trustee of the Natural Resources Defense Council; and as Chairman of the Board of the John D. and Catherine T. MacArthur Foundation, which funds environmental and sustainable development programs.

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Election of Directors *(Continued)*

CHUCK HAGEL

Director since 2010

Mr. Hagel, age 65, has been Distinguished Professor at Georgetown University and the University of Nebraska at Omaha since 2009.

Prior Positions Held: From 1997 to 2009, Mr. Hagel served as a U.S. Senator from Nebraska. During his tenure in the U.S. Senate, Mr. Hagel served on the Senate Foreign Relations, the Banking, Housing and Urban Affairs, the Intelligence, and the Energy and Natural Resources committees. He served as Chairman of the Foreign Relations International Economic Policy, Export and Trade Promotion Subcommittee; the Banking Committee s International Trade and Finance Subcommittee; and the Securities Subcommittee. He also served as the Chairman of the Congressional-Executive Commission on China and the U.S. Senate Climate Change Observer Group. Prior to his election to the U.S. Senate, Mr. Hagel was president of McCarthy & Company, an investment banking firm. In the mid-1980s, Mr. Hagel co-founded VANGUARD Cellular Systems, Inc., a publicly traded corporation.

Current Public Company Directorships: None.

Prior Public Company Directorships (within the last five years): None.

Other Directorships, Trusteeships and Memberships: Chairman, Atlantic Council of the United States; Co-Chairman, President s China 100,000 Strong Initiative Advisory Committee; Co-Chairman, President s Intelligence Advisory Board; Secretary of Defense s Policy Board; Secretary of Energy s Blue Ribbon Commission on America s Nuclear Future; Public Broadcasting Service (PBS); Vietnam Veterans Memorial Fund Corporate Council; and numerous other private and public advisory boards.

Qualifications, Experience, Attributes and Skills: Mr. Hagel meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Hagel brings to the Board extensive experience in public policy and international affairs as a result of recent service as Chairman of the Atlantic Council of the United States and as a two-term U.S. Senator from Nebraska. Mr. Hagel s business experience and his role on the advisory boards of numerous organizations gives him a strong knowledge of finance, international strategy, markets and competitors. In addition, Mr. Hagel brings to the Board valuable experience in environmental matters as a result of his work as Chairman of the U.S. Senate Climate Change Observer Group, as a member of the Commission on Climate and Tropical Forests and as Co-Chair of the Disposal Subcommittee of the Blue Ribbon Commission on America s Nuclear Future.

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Election of Directors *(Continued)*

ENRIQUE HERNANDEZ JR.

Director since 2008

Mr. Hernandez, age 56, has been Chairman, Chief Executive Officer and President of Inter-Con Security Systems, Inc., a global security services provider, since 1986.

Prior Positions Held: Mr. Hernandez was an associate in the law firm of Brobeck, Phleger & Harrison from 1981 until 1985.

Current Public Company Directorships: McDonald s Corporation; Nordstrom, Inc.; Wells Fargo & Company.

Prior Public Company Directorships (within the last five years): Tribune Company.

Other Directorships, Trusteeships and Memberships: Harvard College Visiting Committee; Harvard University Resources Committee; University of Notre Dame.

Qualifications, Experience, Attributes and Skills: Mr. Hernandez meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Hernandez brings to the Board extensive board and senior executive level experience in international business and law as a result of his nearly 27-year career with Inter-Con Security Systems, Inc., and his legal experience as a litigation attorney at Brobeck, Phleger & Harrison. Mr. Hernandez also provides expertise in security as well as in communications and community affairs from his role as co-founder of Interspan Communications, a television broadcasting company serving Spanish-language audiences.

GEORGE L. KIRKLAND

Director since 2010

Mr. Kirkland, age 61, has been Vice Chairman of Chevron since January 2010 and Executive Vice President of Upstream and Gas since January 2005.

Prior Positions Held: Mr. Kirkland was previously President of Chevron Overseas Petroleum from 2002 through 2004. From 2000 to 2001, he was President of Chevron U.S.A. Production Co. Mr. Kirkland joined Chevron in 1974.

Current Public Company Directorships: None.

Prior Public Company Directorships (within the last five years): None.

Other Directorships, Trusteeships and Memberships: Africa America Institute; Corporate Council on Africa; U.S.-Kazakhstan Business Association; Chairman, US-ASEAN Business Council.

Qualifications, Experience, Attributes and Skills: Mr. Kirkland meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Kirkland brings to the Board extensive senior executive level experience at Chevron and in the energy industry with a strong knowledge of Chevron s upstream business, including strategy, markets, competitors, financials, policy, administration, operations, environmental matters and industry regulation. Mr. Kirkland s 38-year career at Chevron has at various points included principal responsibility for upstream research and technology, production and operations in Nigeria, the United States and Canada, international exploration and production and, most recently, global exploration, production and gas activities.

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Election of Directors *(Continued)*

CHARLES W. MOORMAN IV

Director Nominee

Mr. Moorman, age 60, has been since 2006 Chairman of the Board, since 2005 Chief Executive Officer, and since 2004 President of Norfolk Southern Corporation, a freight transportation company.

Prior Positions Held: From 2003 to 2004, Mr. Moorman served as Senior Vice President of Corporate Planning and Services at Norfolk Southern, and in 2003 he served as Senior Vice President of Corporate Services. From 1999 to 2004, he was President of Thoroughbred Technology and Telecommunications, Inc., a subsidiary of Norfolk Southern.

Current Public Company Directorships: Norfolk Southern Corporation.

Prior Public Company Directorships (within the last five years): None.

Other Directorships, Trusteeships and Memberships: Chesapeake Bay Foundation; Chrysler Museum of Art; Nature Conservancy of Virginia; University of Virginia Medical Center Operating Board; WHRO Public Broadcasting.

Qualifications, Experience, Attributes and Skills: Mr. Moorman meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Moorman serves as chairman and chief executive officer of a Fortune 500 public company, providing him insight and experience into the operations, challenges and complex issues facing large corporations. Mr. Moorman also has significant logistics services, technology and strategy experience as a result of his 30-year career in the freight railroad and transportation industries. As current Chairman and Chief Executive Officer of Norfolk Southern Corporation, Mr. Moorman also brings firsthand knowledge of the business climate in key regions of the United States where Chevron operates.

KEVIN W. SHARER

Director since 2007

Mr. Sharer, age 64, has been since 2001 Chairman of the Board and since 2000 Chief Executive Officer of Amgen Inc., a global biotechnology medicines company.

Prior Positions Held: From 1992 until 2000, Mr. Sharer served as President and Chief Operating Officer of Amgen. From 1989 until 1992, Mr. Sharer was President of the Business Markets Division of MCI Communications Corporation. From 1984 until 1989, Mr. Sharer served in numerous executive capacities at General Electric Company.

Current Public Company Directorships: Amgen Inc.; Northrop Grumman Corporation.

Prior Public Company Directorships (within the last five years): 3M Company.

Other Directorships, Trusteeships and Memberships: Los Angeles County Museum of Natural History; U.S. Naval Academy Foundation.

Qualifications, Experience, Attributes and Skills: Mr. Sharer meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Sharer serves as chairman and chief executive officer of a Fortune 500 public company, providing him insight and experience into the operations, challenges and complex issues facing large corporations, as well as significant expertise in technology, research and development, and long investment cycles. Having served as a director of Unocal Corporation prior to its acquisition by Chevron, Mr. Sharer brought to the Board strong knowledge of strategy, markets, competitors and financials of Unocal s operations. As current Chairman and Chief Executive Officer of Amgen, Mr. Sharer also brings firsthand knowledge of the business climate in California, where Chevron is headquartered.

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Election of Directors *(Continued)*

JOHN G. STUMPF

Director since 2010

Mr. Stumpf, age 58, has been since 2010 Chairman of the Board, since 2007 Chief Executive Officer and since 2005 President of Wells Fargo & Company, a diversified financial services company.

Prior Positions Held: From 2002 until 2005, Mr. Stumpf served as Group Executive Vice President of Community Banking at Wells Fargo. In 2000, he led the integration of Wells Fargo s $23 billion acquisition of First Security Corporation. Beginning in 1982, Mr. Stumpf served in numerous executive capacities at Norwest Corporation until its merger with Wells Fargo in 1998, at which time he became head of Wells Fargo s Southwestern Banking Group.

Current Public Company Directorships: Target Corporation; Wells Fargo & Company.

Prior Public Company Directorships (within the last five years): None.

Other Directorships, Trusteeships and Memberships: The Clearing House; The Financial Services Roundtable; San Francisco Museum of Modern Art.

Qualifications, Experience, Attributes and Skills: Mr. Stumpf meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Stumpf serves as chairman and chief executive officer of a Fortune 500 public company, providing him insight and experience into the operations, challenges and complex issues facing large corporations. Mr. Stumpf also has significant financial expertise and strategy and marketing experience as a result of his 30-year career in the banking and financial services industries. As current Chairman and Chief Executive Officer of Wells Fargo & Company, Mr. Stumpf also brings firsthand knowledge of the business climate in California and in the San Francisco Bay Area, where Chevron is headquartered.

RONALD D. SUGAR

Director since 2005

Mr. Sugar, age 63, is the retired Chairman of the Board and Chief Executive Officer of Northrop Grumman Corporation, a global defense and technology company.

Prior Positions Held: Mr. Sugar was Chairman of the Board and Chief Executive Officer of Northrop Grumman Corporation from 2003 until 2010 and President and Chief Operating Officer from 2001 until 2003. He was President and Chief Operating Officer of Litton Industries, Inc., from 2000 until 2001.

Current Public Company Directorships: Air Lease Corporation; Amgen Inc.; Apple Inc.

Prior Public Company Directorships (within the last five years): Northrop Grumman Corporation.

Other Directorships, Trusteeships and Memberships: Senior Advisor, Ares Management LLC; Boys & Girls Clubs of America; Los Angeles Philharmonic Association; National Academy of Engineering; UCLA Anderson School of Management Board of Visitors; University of Southern California.

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Election of Directors *(Continued)*

Qualifications, Experience, Attributes and Skills: Mr. Sugar meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Sugar has served as chairman and chief executive officer of a Fortune 500 public company, providing him insight and experience into the operations, challenges and complex issues facing large corporations. Mr. Sugar has extensive board and senior executive level expertise in manufacturing, technology, finance, government affairs, international marketing, long investment cycles and environmental issues. While Chairman and Chief Executive Officer of Northrop Grumman, Mr. Sugar oversaw environmental assessments and remediations at shipyards and electronics factories. Mr. Sugar s career has included service as Chief Financial Officer of TRW, Inc., providing additional financial expertise. As retired Chairman and Chief Executive Officer of Northrop, Mr. Sugar also has firsthand knowledge of the business climate in California, where Chevron is headquartered.

CARL WARE

Director since 2001

Mr. Ware, age 68, is a retired Executive Vice President of The Coca-Cola Company, a manufacturer of beverages.

Prior Positions Held: Mr. Ware was a Senior Advisor to the CEO of The Coca-Cola Company from 2003 until 2005 and was an Executive Vice President, Global Public Affairs and Administration, from 2000 until 2003. He was President of The Coca-Cola Company s Africa Group, with operational responsibility for 50 countries in sub-Saharan Africa, from 1991 until 2000.

Current Public Company Directorships: Cummins Inc.

Prior Public Company Directorships (within the last five years): Coca-Cola Bottling Co. Consolidated.

Other Directorships, Trusteeships and Memberships: Clark Atlanta University; PGA TOUR Golf Course Properties, Inc.

Qualifications, Experience, Attributes and Skills: Mr. Ware meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Ware brings to the Board extensive senior executive level expertise in operations, manufacturing, marketing, and public and international affairs as a result of his nearly 28-year career with The Coca-Cola Company. Mr. Ware s tenure as President and Chief Operating Officer of Coca-Cola Africa provided in-depth knowledge of one of Chevron s key areas of operations, and his tenure as Executive Vice President for Public Affairs and Administration provided additional public policy and environmental experience. In that position, Mr. Ware supervised companywide environmental policies and procedures.

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Election of Directors *(Continued)*

JOHN S. WATSON

Director since 2009

Mr. Watson, age 55, has been Chairman of the Board and Chief Executive Officer of Chevron since January 1, 2010. *Prior Positions Held:* Mr. Watson was previously Vice Chairman of the Board of Chevron from 2009 until 2010. He was Executive Vice President of Strategy and Development from 2008 until 2009. From 2005 until 2007, he was President of Chevron International Exploration and Production, and from 2001 until 2005, he was Chief Financial Officer. In 1998, he was named Vice President with responsibility for strategic planning. Mr. Watson joined Chevron Corporation in 1980.

Current Public Company Directorships: None.

Prior Public Company Directorships (within the last five years): None.

Other Directorships, Trusteeships and Memberships: Chairman, American Petroleum Institute; American Society of Corporate Executives; The Business Council; Business Roundtable; JPMorgan International Council; National Petroleum Council; University of California at Davis Chancellor s Board of Advisors.

Qualifications, Experience, Attributes and Skills: Mr. Watson meets all of the Director qualifications described above under The Director Nomination Process. In particular, Mr. Watson brings to the Board extensive senior executive level expertise in Chevron as well as the energy industry with a strong knowledge of strategy, markets, competitors, financial aspects, policy and operations. Mr. Watson s 31-year career at Chevron has at various points included principal responsibility for corporatewide finance, strategic planning, mergers and acquisitions, and international exploration and production. In 2000, Mr. Watson led Chevron s integration effort after its successful acquisition of Texaco Inc., after which he became Chief Financial Officer.

INDEPENDENCE OF DIRECTORS

The Board has determined that each current nonemployee Director and each nonemployee Director nominee is independent in accordance with the NYSE Corporate Governance Standards and that no material relationship exists that would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with Chevron, other than as a Director. In making its determinations, the Board adheres to the specific tests for independence included in the NYSE Corporate Governance Standards. In addition, the Board has determined that the following relationships of Chevron Directors occurring within the last fiscal year are categorically immaterial to a determination of independence if the relevant transaction was conducted in the ordinary course of business:

a director of another entity if business transactions between Chevron and that entity do not exceed $5 million or 5 percent of the receiving entity s consolidated gross revenues, whichever is greater;

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Election of Directors *(Concluded)*

a director of another entity if Chevron s discretionary charitable contributions to that entity do not exceed $1 million or 2 percent of that entity s gross revenues, whichever is greater, and if the charitable contributions are consistent with Chevron s philanthropic practices; and

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 as long as the Director s ownership interest does not exceed 2 percent of the total equity or partnership interest in that other party.

These categorical standards are contained in our Corporate Governance Guidelines, which are available on our website at www.chevron.com and are available in print upon request.

During 2011, Ms. Deily and Messrs. Denham, Hagel, Hernandez, Moorman, Rice, Sharer, Stumpf, Sugar and Ware were directors of for-profit entities with which Chevron conducts business in the ordinary course. They and Mr. Eaton were also directors or trustees of, or similar advisors to, not-for-profit entities to which Chevron contributed funds in 2011. The Board determined that all of these transactions and contributions were below the thresholds set forth in the first and second categorical standards described above (except as noted below) and are, therefore, categorically immaterial to the particular Director s independence.

The Board reviewed the following relationships and transactions that existed or occurred in 2011 that are not covered by the categorical standards described above:

For Mr. Hernandez, the Board considered that in 2011, Chevron purchased services from Inter-Con Security Systems of Liberia Limited, a subsidiary of Inter-Con Security Systems, Inc., in the ordinary course of business, amounting to less than 1 percent of Inter-Con s most recent annual consolidated gross revenues. Mr. Hernandez is Chairman, Chief Executive Officer, President and a significant shareholder of Inter-Con, a privately held business. The Board concluded that these transactions would not impair Mr. Hernandez s independence.

For Mr. Moorman, the Board considered that in 2011, Chevron purchased products and services from Norfolk Southern Corporation, in the ordinary course of business, amounting to less than .019 percent of Norfolk Southern s most recently reported annual consolidated gross revenues and Norfolk Southern purchased products and services from Chevron, in the ordinary course of business, amounting to less than .019 percent of Chevron s most recently reported annual consolidated gross revenues. Mr. Moorman is the Chairman, Chief Executive Officer and President of Norfolk Southern. The Board concluded that these transactions would not impair Mr. Moorman s independence.

For Mr. Sharer, the Board considered that in 2011, Amgen Inc. purchased products and services from Chevron, in the ordinary course of business, amounting to less than .001 percent of Chevron s most recently reported annual consolidated gross revenues. Mr. Sharer is the Chairman, Chief Executive Officer and President of Amgen. The Board concluded that these transactions would not impair Mr. Sharer s independence.

For Mr. Stumpf, the Board considered that in 2011, Chevron utilized Wells Fargo & Company for commercial banking, brokerage and other services, in the ordinary course of business, amounting to less than .087 percent of Wells Fargo s most recently reported annual consolidated gross revenues and Wells Fargo paid to Chevron interest in connection with timed deposits and similar transactions in the ordinary course of business, amounting to less than .001 percent of Chevron s most recently reported annual consolidated gross revenues. Mr. Stumpf is the Chairman, Chief Executive Officer and President of Wells Fargo. The Board concluded that these transactions would not impair Mr. Stumpf s independence.

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Board Operations

BOARD COMMITTEE MEMBERSHIP AND FUNCTIONS

Chevron s Board of Directors has four standing committees: Audit, Board Nominating and Governance, Management Compensation, and Public Policy. The Audit, Board Nominating and Governance, and Management Compensation Committees are each constituted and operated according to the requirements of the Securities Exchange Act of 1934 and related rules and the New York Stock Exchange (NYSE) Corporate Governance Standards. Each Committee is governed by a written charter that can be viewed on the Chevron website at www.chevron.com and is available in print upon request. In addition, each member of the Audit Committee is independent, financially literate and an audit committee financial expert, as such terms are defined under the Securities Exchange Act of 1934 and related rules and the NYSE Corporate Governance Standards.

Committees and Membership	Committee Functions
AUDIT Ronald D. Sugar, Chairman Enrique Hernandez Jr. Charles R. Shoemate* John G. Stumpf	Selects the independent registered public accounting firm for endorsement by the Board and ratification by the stockholders; Reviews reports of independent and internal auditors; Reviews and approves the scope and cost of all services (including nonaudit services) provided by the independent registered public accounting firm; Monitors the effectiveness of the audit process and financial reporting; Reviews the adequacy of financial and operating controls; Monitors implementation and effectiveness of Chevron s compliance policies and procedures; Assists the Board in fulfilling its oversight of enterprise risk management, particularly financial risk exposures; and Evaluates the effectiveness of the Committee.
BOARD NOMINATING AND GOVERNANCE Robert E. Denham, Chairman Chuck Hagel Donald B. Rice* Kevin W. Sharer Carl Ware	Evaluates the effectiveness of the Board and its committees and recommends changes to improve Board, Board committee and individual Director effectiveness; Assesses the size and composition of the Board; Recommends prospective Director nominees; Reviews and approves nonemployee Director compensation; Reviews and recommends changes as appropriate in Chevron s Corporate Governance Guidelines, Restated Certificate of Incorporation, By-Laws and other Board-adopted governance provisions; and Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with Chevron s corporate governance structures and processes.
MANAGEMENT COMPENSATION Carl Ware, Chairman Linnet F. Deily Robert E. Denham Robert J. Eaton*	Reviews and recommends to the independent Directors the salary and other compensation matters for the CEO; Reviews and approves salaries and other compensation matters for executive officers other than the CEO; Administers Chevron s executive incentive and equity-based compensation plans; Reviews Chevron s strategies and supporting processes for management succession planning, leadership development, executive retention and diversity; Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with Chevron s compensation programs; and

Donald B. Rice*	Evaluates the effectiveness of the Committee.
Kevin W. Sharer	

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Board Operations *(Continued)*

Committees and Membership	Committee Functions
PUBLIC POLICY Linnet F. Deily, Chairman Robert J. Eaton* Chuck Hagel	Identifies, monitors and evaluates domestic and international social, political, human rights and environmental trends and issues that affect Chevron s activities and performance; Recommends to the Board policies, programs and strategies concerning such issues; Recommends to the Board policies, programs and practices concerning support of charitable, political and educational organizations; Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with the social, political, environmental and public policy aspects of Chevron s business; and Evaluates the effectiveness of the Committee.

* Messrs. Eaton, Rice and Shoemate will retire from the Board effective at the 2012 Annual Meeting, in accordance with Chevron s Director Retirement Policy contained in our Corporate Governance Guidelines.

MEETINGS AND ATTENDANCE

In 2011, your Board held six regularly scheduled Board meetings, with each meeting including an executive session of independent directors, and 23 Board committee meetings, which included 10 Audit Committee, six Board Nominating and Governance Committee, four Management Compensation Committee, and three Public Policy Committee meetings.

All incumbent Directors attended 88 percent or more of the Board meetings and their Board Committee meetings during 2011. Chevron s policy regarding Directors attendance at the Annual Meeting, as described in the Board Agenda and Meetings section of Chevron s Corporate Governance Guidelines (available at www.chevron.com), is that all Directors are expected to attend the Annual Meeting, absent extenuating circumstances. Last year, all Directors except two attended the 2011 Annual Meeting.

BOARD LEADERSHIP AND INDEPENDENT LEAD DIRECTOR

Under Chevron s By-Laws, the positions of Chairman of the Board and CEO are separate positions that may be occupied by the same person. Chevron s Directors select the Chairman of the Board annually. Thus, the Board has great flexibility to choose the optimal leadership structure depending upon Chevron s particular needs and circumstances. The Board Nominating and Governance Committee conducts an annual assessment of Chevron s corporate governance structures and processes, which includes a review of Chevron s Board leadership structure and whether combining or separating the roles of Chairman and CEO is in the best interests of Chevron s stockholders.

At present, Chevron s Board believes that it is in the stockholders best interests for the CEO, Mr. Watson, to also serve as Chairman of the Board. The Board believes that this structure fosters an important unity of leadership between the Board and the Company and enables the Board to organize its functions and conduct its business in the most efficient and effective manner. Chevron s stockholders agreed with this approach in 2007 and 2008, when they most recently considered and voted on stockholder proposals to separate the roles of Board Chairman and CEO. The 2007 proposal was opposed by 64 percent of stockholders voting, and the 2008 proposal was opposed by 85 percent of those voting.

Under Chevron s Corporate Governance Guidelines, when the Board selects the CEO to also serve as Chairman, the independent Directors will select a Lead Director from among the independent Directors. This helps to ensure independent oversight of senior management. Currently, Mr. Denham is

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Board Operations *(Continued)*

our Lead Director. As described in the Board Leadership and Lead Director section of Chevron s Corporate Governance Guidelines, the Lead Director s responsibilities are to:

- chair all meetings of the independent Directors, including executive sessions;
- serve as liaison between the Board Chairman and the independent Directors;
- consult with the Board Chairman on and approve agendas and schedules for Board meetings;
- consult with the Board Chairman on other matters pertinent to Chevron and the Board;
- call meetings of the independent Directors; and
- communicate with major stockholders.

Any stockholder can communicate with the Lead Director or any of the other Directors in the manner described in the Board Nominating and Governance Committee Report in this Proxy Statement.

BOARD ROLE IN RISK OVERSIGHT

One of the many duties of your Board is to provide oversight of Chevron s risk management policies and practices to ensure that the appropriate risk management systems are employed throughout the Company. Chevron faces a broad array of risks, including market, operational, strategic, legal, political and financial risks. The Board exercises its role of risk oversight in a variety of ways, including the following:

- The Board monitors overall corporate performance, the integrity of Chevron s financial controls, and the effectiveness of its legal compliance and enterprise risk management programs. In the context of the Board s annual strategy session and the annual business plan and capital budget review, it reviews portfolio, capital allocation and geopolitical risks. Chevron s management team routinely reports to the Board on risk matters in the context of the Company s strategic, business and operational planning and decision making. Management manages and monitors risks at all levels of the Company, including operating companies, business units, corporate departments and service companies, and regularly reports to the Board through presentations from various centers of management-level risk expertise, including Corporate Strategic Planning, Legal, Corporate Compliance, Health Environment and Safety, Global Exploration and Reserves, Corporation Finance, and others.
- The Audit Committee assists the Board in fulfilling its oversight of financial risk exposures and implementation and effectiveness of Chevron s compliance programs. The Committee discusses Chevron s policies with respect to risk assessment and risk management.

The Committee periodically meets with Chevron s Chief Compliance Officer and representatives of Chevron s Compliance Policy Committee to receive information regarding compliance policies and procedures and internal controls. In addition, the Committee regularly meets with and reviews reports from Chevron s independent and internal auditors. The Committee regularly reports out its discussions to the full Board for consideration and action when appropriate.

The Board Nominating and Governance Committee assists the Board in fulfilling its oversight of risks that may arise in connection with the Company s governance structures and processes. At least annually, the Committee conducts a thorough evaluation of the Company s governance practices with the help of the Corporate Governance department. In connection with this

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Board Operations *(Continued)*

review, the Committee discusses risk management in the context of general governance matters, including, among other topics, Board and management succession planning, delegations of authority and internal approval processes, stockholder proposals and activism, and Director and officer liability insurance. The Committee regularly reports out its discussions to the full Board for consideration and action when appropriate.

The Public Policy Committee assists the Board in fulfilling its oversight of risks that may arise in connection with the social, political, environmental and public policy aspects of Chevron s business and the communities in which it operates. The Committee routinely discusses risk management in the context of, among other things, legislative initiatives, environmental stewardship, employee relations, government and nongovernment organization relations, and Chevron s reputation. The Committee is assisted in its work by management s Global Issues Committee and regularly reports out its discussions to the full Board for consideration and action when appropriate.

The Management Compensation Committee assists the Board in fulfilling its oversight of risks that may arise in connection with Chevron s compensation programs and practices. The Committee is assisted in its work by its own independent compensation consultant. The Committee annually reviews the design and goals of Chevron s compensation programs and practices in the context of possible risks to Chevron s financial and reputational well-being, as well as Chevron s strategies and supporting processes for management succession planning, leadership development, executive retention and diversity. The Committee regularly reports out its discussions to the full Board for consideration and action when appropriate.

BUSINESS CONDUCT AND ETHICS CODE

We have adopted a code of business conduct and ethics for Directors, officers (including the Company s Chief Executive Officer, Chief Financial Officer and Comptroller) and employees, known as the Business Conduct and Ethics Code. The code is available on our website at www.chevron.com and is available in print upon request. We will post any amendments to the code on our website.

TRANSACTIONS WITH RELATED PERSONS

Review and Approval of Related Person Transactions

It is our policy that all employees and Directors must avoid any activity that is in conflict with or has the appearance of conflicting with Chevron s business interests. This policy is included in our Business Conduct and Ethics Code. Directors and executive officers must inform the Chairman and the Corporate Secretary and Chief Governance Officer when confronted with any situation that may be perceived as a conflict of interest. In addition, at least annually, each Director and executive officer completes a detailed questionnaire specifying any business relationship that may give rise to a conflict of interest.

The Board has charged the Board Nominating and Governance Committee to review related person transactions as defined by Securities and Exchange Commission (SEC) rules. The Committee has adopted guidelines to assist it with this review. Under these guidelines, all executive officers, Directors and Director nominees must promptly advise the Corporate Secretary and Chief Governance Officer of any proposed or actual business and financial affiliations involving themselves or their immediate family members that, to the best of their knowledge after reasonable inquiry, could reasonably be expected to give rise to a reportable related person transaction. The Corporate Secretary and Chief

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Board Operations *(Continued)*

Governance Officer will prepare a report summarizing any potentially reportable transactions, and the Committee will review these reports and determine whether to approve or ratify the identified transaction. The Committee has identified the following categories of transactions that are deemed to be preapproved by the Committee, even if the aggregate amount involved exceeds the $120,000 reporting threshold identified in the SEC rules:

- compensation paid to an executive officer if that executive officer s compensation is otherwise reported in our Proxy Statement or if the executive officer is not an immediate family member of another Chevron executive officer or director;
- compensation paid to a Director for service as a Director if that compensation is otherwise reportable in our Proxy Statement;
- transactions in which the related person s interest arises solely as a stockholder and all stockholders receive the same benefit on a pro-rata basis;
- transactions involving competitive bids (unless the bid is awarded to a related person who was not the lowest bidder or unless the bidding process did not involve the use of formal procedures normally associated with our bidding procedures);
- transactions including services as a common or contract carrier or public utility in which rates or charges are fixed by law;
- transactions involving certain banking-related services under terms comparable with similarly situated transactions;
- transactions conducted in the ordinary course of business in which our Director s interest arises solely because he or she is a director of another entity and the transaction does not exceed $5 million or 5 percent (whichever is greater) of the receiving entity s consolidated gross revenues for that year;
- charitable contributions by Chevron to an entity in which our Director s interest arises solely because he or she is a director, trustee or similar advisor to the entity and the contributions do not exceed, in the aggregate, $1 million or 2 percent (whichever is greater) of that entity s gross revenues for that year; and
- transactions conducted in the ordinary course of business and our Director s interest arises solely because he or she owns an equity or limited partnership interest in the entity and the transaction does not exceed 2 percent of the total equity or partnership interests of the entity.

The Committee reviews all relevant information, including the amount of all business transactions involving Chevron and the entity with which the Director or executive officer is associated, and determines whether to approve or ratify the transaction. A Committee member will abstain from decisions regarding transactions involving that Director or his or her family members.

Related Person Transactions

The stepmother of Chairman and Chief Executive Officer John S. Watson and Mr. Watson s late father s estate (of which Mr. Watson, his stepmother and several of his immediate family members are beneficiaries) are receiving payments from a law firm in connection with the firm s buyout in January 2008 of Mr. Watson s father s partnership and real property interests. In late 2008, subsequent to

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Board Operations *(Continued)*

Mr. Watson s father s withdrawal from this law firm and his death, Chevron retained the firm. In 2011, Chevron paid the firm approximately $179,000 and expects to pay it approximately $120,000 in fees in 2012.

The Board Nominating and Governance Committee has reviewed and approved or ratified this transaction under the standards described above.

AUDIT COMMITTEE REPORT

The Audit Committee assists your Board in fulfilling its responsibility to oversee management s implementation of Chevron s financial reporting process. The Audit Committee Charter can be viewed on the Chevron website at www.chevron.com and is available in print upon request. In discharging its oversight role, the Audit Committee reviewed and discussed the audited financial statements contained in the 2011 Annual Report on Form 10-K with Chevron s management and its independent registered public accounting firm. Management is responsible for the financial statements and the reporting process, including the system of disclosure controls and procedures and internal control over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of Chevron s financial statements with accounting principles generally accepted in the United States and on the effectiveness of the Company s internal control over financial reporting.

The Audit Committee met privately with the independent registered public accounting firm and discussed issues deemed significant by the accounting firm, and the Audit Committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the Audit Committee discussed with the independent registered public accounting firm its independence from Chevron and its management; received the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence; and considered whether the provision of nonaudit services was compatible with maintaining the accounting firm s independence.

In reliance on the reviews and discussions outlined above, the Audit Committee has recommended to your Board that the audited financial statements be included in Chevron s Annual Report on Form 10-K for the year ended December 31, 2011, for filing with the SEC.

Respectfully submitted on February 22, 2012, by the members of the Audit Committee of your Board:

Ronald D. Sugar, Chairman

Enrique Hernandez Jr.

Charles R. Shoemate

John G. Stumpf

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Board Operations *(Continued)*

BOARD NOMINATING AND GOVERNANCE COMMITTEE REPORT

The Board Nominating and Governance Committee is responsible for recommending to the Board the qualifications for Board membership, identifying, assessing and recommending qualified Director candidates for the Board s consideration, assisting the Board in organizing itself to discharge its duties and responsibilities, and providing oversight of Chevron s corporate governance practices and policies, including an effective process for stockholders to communicate with the Board. The Committee is composed entirely of independent Directors as defined by the NYSE Corporate Governance Standards and operates under a written charter. The Committee s charter is available on the Chevron website at www.chevron.com and is available in print upon request.

The Committee s role in and process for identifying and evaluating Director nominees, including nominees recommended by stockholders, is described on pages 8 and 9 of this Proxy Statement. In addition, the Committee made recommendations to the Board concerning director independence, Board committee assignments, committee chairman positions, Audit Committee financial experts and the financial literacy of Audit Committee members.

The Committee regularly reviews trends and recommends corporate best practices, initiates improvements, and plays a leadership role in maintaining Chevron s strong corporate governance structures and practices. Among the practices the Committee believes demonstrate the Company s commitment to strong corporate governance are:

annual election of all Directors;	annual succession planning sessions;
supermajority of independent Directors;	confidential stockholder voting policy;
majority vote standard for the election of Directors in uncontested elections coupled with a Director resignation policy;	minimum stockholding requirements for Directors and officers;
annual election of the Chairman of the Board by the Directors;	review and approval or ratification of related person transactions as defined by SEC rules;
annual election of an independent Lead Director by independent Directors;	policy to obtain stockholder approval of any stockholder rights plan;
annual assessment of Board, committee and Director performance;	right of stockholders to call for a special meeting; and
Director retirement policy;	no supermajority voting provisions in Restated Certificate of Incorporation or By-Laws.

The Committee reviews interested-party communications, including stockholder inquiries directed to nonemployee Directors. The Corporate Secretary and Chief Governance Officer compiles the communications, summarizes lengthy or repetitive communications, and regularly summarizes the communications received, the responses sent and further disposition, if any. All communications are available to the Directors. Interested parties wishing to communicate their concerns or questions about Chevron to the Chairman of the Committee or any other nonemployee Directors may do so by U.S. mail addressed to Nonemployee Directors, c/o Office of the Corporate Secretary and Chief Governance Officer, at 6001 Bollinger Canyon Road, San Ramon, California 94583-2324.

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Board Operations *(Concluded)*

Stockholders can find additional information concerning Chevron s corporate governance structures and practices in Chevron s Corporate Governance Guidelines, By-Laws and the Restated Certificate of Incorporation, copies of which are available on Chevron s website at www.chevron.com and are available in print upon request.

Respectfully submitted on March 27, 2012, by members of the Board Nominating and Governance Committee of your Board:

Robert E. Denham, Chairman

Chuck Hagel

Donald B. Rice

Kevin W. Sharer

Carl Ware

MANAGEMENT COMPENSATION COMMITTEE REPORT

The Management Compensation Committee of Chevron has reviewed and discussed with management the Compensation Discussion and Analysis beginning on the following page, and based on such review and discussion, the Committee recommended to the Board of Directors of the Corporation that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Corporation s Annual Report on Form 10-K.

Respectfully submitted on March 27, 2012, by members of the Management Compensation Committee of your Board:

Carl Ware, Chairman

Linnet F. Deily

Robert E. Denham

Robert J. Eaton

Donald B. Rice

Kevin W. Sharer

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Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

In this section, we describe the material components of our compensation program for our named executive officers (NEOs) and provide an overview of the information set forth in the Summary Compensation Table and other compensation tables contained in this Proxy Statement. Our NEOs in this Proxy Statement are:

NEO	Position
John S. Watson	Chairman and Chief Executive Officer
Patricia E. Yarrington	Vice President and Chief Financial Officer
George L. Kirkland	Vice Chairman and Executive Vice President
Michael K. Wirth	Executive Vice President
R. Hewitt Pate	Vice President and General Counsel

We have divided this section into three parts:

Part I Compensation Principles and Processes. In this section we describe the important principles, processes and tools that help us determine compensation for our NEOs.

Part II Compensation Components. In this section we discuss the four material components of NEO compensation base salary, annual cash incentives, annual long-term equity incentives and retirement programs and actual compensation paid to our NEOs in 2011.

Part III Other Matters. In this section we discuss other compensation practices that affect how we compensate our NEOs.

PART I. COMPENSATION PRINCIPLES AND PROCESSES

Our Compensation Principles and Objectives

How we compensate our NEOs reflects the industry in which we compete. Chevron is one of the world s leading integrated energy companies, with subsidiaries that conduct business worldwide. We are involved in virtually every facet of the energy industry. We explore for, produce and transport crude oil and natural gas; refine, market and distribute transportation fuels and other energy products; manufacture and sell petrochemical products; generate power and produce geothermal energy; provide energy efficiency solutions; and develop the energy resources of the future, including biofuels.

Our success is driven by our people and their focus on delivering results the right way. We operate responsibly, execute with excellence, apply innovative technologies and capture attractive new opportunities for profitable growth that return superior value to stockholders. The lead times and project life spans in our business are generally very long, and the life cycle of a large, major capital project is generally longer than an NEO s tenure in a particular position. To manage this business and the associated risks successfully, our NEOs must, among other things, be able to identify and manage risk, execute business plans, secure future resource access, and leverage the talents of those employees whom they manage in order to optimize profits and increase long-term stockholder value and returns.

To ensure that our compensation programs support our business model, we observe several core compensation principles and objectives. Specifically, we believe that NEO compensation should:

- reward creation of superior long-term stockholder value through increased stockholder returns;
- support our career employment model;

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Executive Compensation *(Continued)*

- maintain an appropriate balance between base salary and short-term and long-term incentive opportunities, with a distinct emphasis on compensation that is at risk ;
- be externally competitive and internally equitable;
- give us the flexibility to attract and retain talented senior leaders in a very competitive industry, recognizing the cyclical nature of our business; and
- reinforce the values we express in The Chevron Way (www.chevron.com/about/chevronway/) and our Operational Excellence Management System (www.chevron.com/about/operationalexcellence/).

We also believe that compensation decisions should reflect fiscal-year business and individual performance. In 2011, Chevron:

- realized record earnings of $26.9 billion (above 2011 plan of $14.5 billion);
- delivered a 21.6 percent return on average capital employed (second among principal energy industry peers BP, ConocoPhillips, ExxonMobil and Royal Dutch Shell);
- generated a total stockholder return of 20.3 percent (first among principal energy industry peers);
- delivered world-class safety performance (first among principal energy industry peers in Days Away From Work Rate and Total Recordable Incident Rate); and
- raised our dividend twice, marking the 24th consecutive year of increases.

In our upstream business, we:

- ranked No.1 in earnings per barrel (first among principal energy industry peers);
- began initial production of the Platong Gas II project in Thailand;

- advanced our Angola liquefied natural gas (LNG) project and Usan deepwater development offshore Nigeria;
- advanced our Big Foot and Jack/St. Malo projects in the U.S. Gulf of Mexico; and
- advanced our two world-class LNG projects in Western Australia Gorgon achieved key construction milestones, and we broke ground on Wheatstone.

In our global downstream and chemicals business, we:

- ranked No. 1 in earnings per barrel among principal energy industry peers, reflecting successful efforts to reshape our global portfolio to improve efficiency, enhance market focus and grow returns; and
- ranked No. 1 in refinery utilization in the third straight biennial Solomon Associates refinery benchmark study.

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Executive Compensation *(Continued)*

Our NEOs 2011 individual performance highlights include the following:

J.S. Watson	record earnings and cash flow from operations, and strong per share performance versus peers competitor-leading and world-class safety performance development and implementation of value-creating strategies and investments
P.E. Yarrington	outstanding internal controls performance excellent cash and balance sheet management, as reflected by key financial decisions highly effective outreach to and relationships with the financial community
G.L. Kirkland	competitor-leading performance in upstream earnings per barrel and return on capital employed excellent execution of major capital projects as demonstrated by key milestone attainment successful portfolio additions of producing and prospective acreage
M.K. Wirth	successful execution of restructuring program to reduce costs and improve returns successful implementation of asset sales program top tier competitive performance in earnings per barrel and return on capital employed
R.H. Pate	continued reduction in outstanding litigation docket through successful case resolution outstanding management of Ecuador and other major litigation matters effective support of major transactions and commercial activity

Our Management Compensation Committee

Our core compensation principles and objectives are sustained, in part, by our Board of Directors and its Management Compensation Committee s independent oversight of NEO compensation. Our Management Compensation Committee is responsible for NEO compensation. The Committee is composed entirely of independent outside directors, as defined under Section 162(m) of the Internal Revenue Code, and each member is independent under the NYSE Corporate Governance Standards. The Committee annually reviews and determines NEO compensation; however, for our CEO s compensation, the Committee makes recommendations to the nonemployee Directors of the Board, who determine his compensation. A complete description of the Committee s authority and responsibility is set forth in its charter, which is available on our website at www.chevron.com and in print upon request.

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Executive Compensation *(Continued)*

To assist it with fulfilling its responsibility for making NEO compensation decisions consistent with the core principles discussed above, the Committee utilizes a variety of tools, as described below.

Independent Compensation Consultant

The Committee retains an independent compensation consultant Exequity LLP to assist it with its duties. The Committee has the exclusive right to select, retain and terminate Exequity as well as to approve any fees, terms or other conditions of Exequity s service. Exequity and its lead consultant report directly to the Committee, but when directed to do so by the Committee, work cooperatively with Chevron s management to develop analyses and proposals for presentations to the Committee. The Committee reviews the performance of the independent consultant on an annual basis and determines whether to continue the relationship. In 2011, the Committee determined that retaining Exequity in the role of independent compensation consultant was appropriate.

In 2011, Exequity provided the Committee with a review of general industry trends and the broad executive compensation climate, as well as specific advice concerning Chevron s NEO compensation practices, including analysis of our base salary, short-term and long-term incentive, and benefits practices against those of our peers (identified below). More particularly, during 2011, Exequity:

- managed an annual executive pay analysis covering base salary, short-term incentives and long-term incentives for our CEO and other NEOs;
- attended all Committee meetings (including executive sessions) and presented results of analysis and any key recommendations for Committee action, specifically recommendations for CEO pay, annual cash incentive and long-term equity incentive awards;
- discussed emerging trends and technical issues at designated Committee meetings during the year and reviewed and commented on management proposals, as appropriate; and
- responded to miscellaneous Committee requests, including requests for analysis and trends in incentive pay design, executive benefits and disclosure requirements.

The Committee reviewed information provided by Exequity to determine the appropriate level and mix of compensation for each NEO in light of Chevron s compensation principles and objectives. Exequity s analysis showed that Chevron s NEO compensation is appropriately designed and administered and appropriately competitive for the industry in which Chevron operates.

Internal Compensation Specialists

The Committee relies upon our internal compensation specialists for additional counsel, data and analysis.

CEO Recommendations

The Committee relies upon our CEO for compensation recommendations for the NEOs other than himself. The CEO and the Committee discuss the CEO s assessment of the NEOs and any other factors the CEO believes may be relevant for the Committee s consideration.

Peer Group Practices

The Committee s compensation decisions for our NEOs are compared with the pay practices of our competitors and other large public companies. We utilize an Oil Industry Peer Group and a Non-Oil Industry Peer Group for evaluating our NEO compensation practices and levels. The purpose of these comparisons is to help the Committee understand generally how each NEO s total compensation

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Executive Compensation *(Continued)*

opportunity compares with the total compensation opportunities of persons in reasonably similar positions at these companies. The Committee does not use these comparisons to establish any benchmarks or performance targets for setting NEO compensation.

The Oil Industry Peer Group consists of 12 oil and energy industry companies. Four of these companies (highlighted in blue) are the larger, global, integrated energy companies most comparable to Chevron in size, scale and scope of operations and are used as a comparison for performance share determination, which we discuss below in Long-Term Incentive Plan of Chevron Corporation.

Anadarko Petroleum	Marathon Oil
BP	Occidental Petroleum
ConocoPhillips*	Royal Dutch Shell
Devon Energy	Sunoco
ExxonMobil	Tesoro
Hess	Valero Energy

* For 2012, the Committee replaced ConocoPhillips with Total in view of ConocoPhillips decision to separate its upstream and downstream operations into separate publicly traded companies.

The companies in the Oil Industry Peer Group are our primary competitors for executive-level talent and have substantial U.S. or global operations that most nearly approximate the size, scope and complexity of our business or segments of our business. The compensation practices and levels of the companies in this peer group are reviewed in connection with determining NEO base salaries, Chevron Incentive Plan (CIP) awards and Long-Term Incentive Plan (LTIP) awards (described below). Data concerning these companies is derived from the Oil Industry Job Match Survey, an annual survey published by Towers Watson, and from these companies proxy statements or other public disclosures.

The Non-Oil Industry Peer Group consists of 22 non-oil and energy industry companies.

3M	Ford Motor	Lockheed Martin
Alcoa	General Electric	Merck
American Electric Power	Hewlett-Packard	Northrop Grumman
AT&T	Honeywell	PepsiCo
Boeing	IBM	Pfizer
Caterpillar	Intel	Verizon Communications
Dow Chemical	International Paper	
Duke Energy	Johnson & Johnson	

We believe it is important to periodically compare our overall compensation practices (and those of the oil and energy industry generally) against a broader mix of companies to ensure that our compensation practices are reasonable when compared with non-energy companies that are similar to Chevron in size, complexity and scope of operations. The companies that make up this peer group remain generally the same from year to year unless market events such as mergers or acquisitions merit replacing one company with another. When determining the companies to be included in the Non-Oil Industry Peer Group, we look for companies of significant financial and operational size whose

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Executive Compensation *(Continued)*

products are primarily commodities and that have, among other things, global operations, significant assets and capital requirements, long-term project investment cycles, extensive technology portfolios, an emphasis on engineering and technical skills, and extensive distribution channels. Data concerning these companies is derived from the Total Compensation Measurement Database, a proprietary source of compensation data and analysis developed by Hewitt Associates.

Prior-Year Say-on-Pay Lookback

The Committee annually considers the results of the most recent advisory vote on NEO compensation. In 2011, more than 97 percent of stockholders who voted approved the compensation of Chevron s NEOs, and the Committee interpreted this strong level of support as affirmation of the current design, purposes and direction of Chevron s executive compensation programs.

Compensation Risk Analysis

The Committee annually reviews our compensation strategy, including our compensation-related risk profile, to ensure that our compensation-related risks are not likely to have a material adverse effect on the Company.

PART II. COMPENSATION COMPONENTS

The material components of our executive compensation program, their purpose and key characteristics are summarized in the following chart.

Compensation Element	**Form**	**Purpose**	**Key Characteristics**
Base Salary	Cash	Provide a fixed level of competitive compensation to help us attract and retain strong executive talent through a full career	Work with independent consultant on CEO base salary to ensure competitiveness; for other NEOs, focus on their assigned salary grade and individual performance
Annual Incentive Plan	Cash	Reward NEOs for annual enterprise, business unit and individual performance	At-risk short-term performance management and development tool Balance between short-and longer-term decisions and financial and operating results

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Executive Compensation *(Continued)*

Compensation Element	Form	Purpose	Key Characteristics
Annual Long-Term Equity Incentive	Stock options; performance shares; restricted stock units	Give NEOs an equity stake in the business to encourage performance that significantly increases long-term stockholder return	Direct link to stockholders; stock options have no value unless stock price increases Largest piece of senior executive compensation
Other Benefits and Retirement Programs	Cash lump sum or annuity for retirement; cash and/or stock for the savings plans	Encourage retention and reward long-term employment	Drives sustainability in decision making Provide basic level of security Value/benefit increases with tenure

Allocation Among Components

No specific formula is used to determine the allocation of an NEO s total annual compensation among base salary, short-term and long-term incentives, and benefits. However, we believe each NEO s short-term and long-term, or at-risk, incentives should represent more than half of his or her annual compensation opportunity and be linked directly to the value delivered to stockholders.

In 2011, the portion of the CEO s total compensation (base salary, annual incentive plan and annual long-term equity incentive plan grant date fair value) that was at risk is illustrated as follows:

In 2011, the portion of the other NEOs total compensation that was at risk is illustrated as follows:

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Executive Compensation *(Continued)*

Base Salary

The first material component of our NEOs compensation is base salary. We believe that base salaries should:

- compete with the base salaries of persons in similar positions at the companies in our Oil Industry Peer Group;
- support our desired balance between short-term and long-term, or at-risk, compensation; and
- supplement Chevron s career employment model.

How the Independent Directors Determine Our CEO s Base Salary

The Committee and the other independent Directors believe that Mr. Watson s base salary should be competitive with the other chief executive officers in our Oil Industry Peer Group. As part of its annual evaluation of Mr. Watson s base salary, the Committee s independent consultant reviews and reports to the Committee on the relation of Mr. Watson s base salary to that of his peers in our Oil Industry and Non-Oil Industry Peer Groups. The Committee does not have a predetermined target or range within the Oil Industry Peer Group as an objective for Mr. Watson s base salary. Instead, the Committee exercises its discretion, taking into account:

- the data provided by the Committee s independent consultant;
- the relative size, scope and complexity of our business;
- Mr. Watson s performance; and
- the aggregate amount of Mr. Watson s compensation package.

After considering these things, the Committee makes a recommendation to the independent Directors, and the independent Directors determine Mr. Watson s base salary.

In March 2011, independent directors approved a $100,000 increase in Mr. Watson s base salary in light of specific accomplishments, described on page 28. As a result, Mr. Watson was ranked fourth among the base salaries of chief executive officers in our Oil Industry Peer Group and 14th among the base salaries of chief executive officers in our Non-Oil Industry Peer Group. This base salary was effective April 1, 2011.

NEO	2010 Base Salary	2011 Base Salary

			Percentage Increase Over Prior Year
J.S. Watson	$1,500,000	$1,600,000	6.7%

How the Committee Determines Our Other NEOs Base Salaries

For our other NEOs, base salary is a function of two things:

- the NEO s assigned base salary grade; and

- individual qualitative considerations, such as individual performance, experience, skills, competitive positioning, retention objectives and leadership responsibilities relative to other NEOs.

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Executive Compensation *(Continued)*

Mr. Watson makes recommendations to the Committee as to the base salaries for each of our other NEOs. The Committee makes base salary determinations for all NEOs, and the independent Directors review and ratify the determinations.

Salary Grades and Salary Grade Ranges. Each NEO is assigned to a base salary grade. Each grade has a base salary minimum, midpoint and maximum that constitute the salary range for that grade, except for the CEO and Vice Chairman positions, which do not have salary grade ranges because they are single incumbent positions. Salary grades and the appropriate salary ranges are determined through market surveys of positions of comparable level, scope, complexity and responsibility. We believe that base salary grade ranges should be competitive with the base salary ranges for persons in similar positions at the companies within our Oil Industry Peer Group, although the Committee does not have a predetermined position within that group. The Committee annually reviews the ranges and may approve increases in the base salary grade ranges if it determines that adjustments are necessary to maintain this competitiveness. Because our NEOs occupy the most senior leadership and management positions at Chevron, the positions are assigned to the highest salary grades. In 2011, the Committee approved the following changes in the base salary grade ranges for our NEOs:

NEO	2010 Salary Range			2011 Salary Range			Percentage Increase
P.E. Yarrington	$	687,000	$1,031,000	$	712,000	$1,068,000	3.6%
G.L. Kirkland	N/A			N/A			N/A
M.K. Wirth	$	687,000	$1,031,000	$	712,000	$1,068,000	3.6%
R.H. Pate	$	566,000	$850,000	$	586,000	$878,000	3.4%

2011 Base Salaries. Each NEO s base salary is reviewed annually by the Committee and may be adjusted for a variety of reasons, including individual performance, experience, skills, competitive positioning, retention objectives and leadership responsibilities relative to other NEOs. In March 2011, the Committee approved the following increases in the base salaries of our other NEOs in light of specific accomplishments, described on page 28. These base salaries were effective April 1, 2011.

NEO	2010 Base Salary	2011 Base Salary	Percentage Increase Over Prior Year
P.E. Yarrington	$800,000	$860,000	7.5%
G.L. Kirkland	$1,200,000	$1,300,000	8.3%
M.K. Wirth	$900,000	$955,000	6.1%
R.H. Pate	$694,000	$739,000	6.5%

We report base salary received by each NEO in 2011 in the Summary Compensation Table. As described in Retirement Programs and Other Benefits, NEOs are eligible to defer up to 40 percent of their base salary over the Internal Revenue Code section 401(a)(17) limit for payment upon retirement or separation from service. We describe the aggregate NEO deferrals in 2011 in the Nonqualified Deferred Compensation Table.

Chevron Incentive Plan (CIP)

The second material component of our NEOs compensation is an annual cash incentive, the Chevron Incentive Plan award. We believe CIP awards should:

reward the NEOs for business and individual performance;

Executive Compensation *(Continued)*

- encourage effective short-term performance while balancing long-term focus;
- provide a significant portion of total compensation opportunity that is at risk; and
- be externally competitive.

In March 2012, CIP awards for the 2011 performance year were made to the NEOs as detailed in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

How We Determine CIP Awards

Annual CIP awards for our NEOs are determined using the following formula:

Base Pay Rate	×	CIP Award Target	×	Corporate Performance Rating	×	Individual Performance Modifier

As described below, the Corporate Performance Rating and the NEOs individual performance modifier are not determined by a formula or on the basis of predetermined financial or performance targets. Rather, the Committee exercises its discretion based upon the factors described below. With respect to each NEO other than the CEO, the CEO makes CIP recommendations to the Committee.

CIP Award Target. Prior to the beginning of each performance year in this case 2011 the Committee establishes a CIP Award Target for each NEO, which is based on a percentage of the NEO s base salary. All individuals in the same salary grade have the same CIP Award Target because we believe that CIP awards, like salaries, should be internally consistent. The Committee sets the percentage of base salary for each salary grade to be competitive with similar awards to persons in reasonably similar positions at companies in our Oil Industry Peer Group. For determining the CIP Award Target for Mr. Watson, our CEO, the Committee relies on data covering CEOs in the Oil Industry Peer Group that is provided by its independent consultant. For the rest of the NEOs, the Committee relies upon data from the Oil Industry Job Match Survey (described above) to ensure that the CIP Award Targets for these NEOs are generally competitive.

Corporate Performance Rating. We believe that CIP awards for NEOs should be largely determined by our overall corporate performance. After the end of the performance year, the Committee sets the Corporate Performance Rating to reflect its overall assessment of Company performance based on a broad cross section of key performance indicators (summarized below). There are no relative weights assigned to individual metrics and no set formula for determining the Corporate Performance Rating. Instead, the Committee exercises its discretion by taking into account the Company s performance compared with Board-approved business plan objectives and industry competitors.

Executive Compensation *(Continued)*

Indicators Evaluated for Corporate Performance Rating

Safety and Operational Excellence	Financial Performance
Indicators of workforce and process safety and reliability, including: Days Away From Work Rate Total Recordable Incident Rate Refinery Utilization Rate	Key results at the business unit and enterprise level: Corporate earnings Return on average capital employed Upstream earnings per barrel of net production Downstream adjusted dollars per barrel earnings
Results of Operations	**Stockholder Return**
Various measures of progress toward strategic objectives and efficiency, including: Crude oil, natural gas liquids and natural gas production Achievement of strategic milestones, especially major capital projects	One-year and sustained total stockholder return (TSR) compared with the TSR of Chevron s top competitors in our Oil Industry Peer Group (BP, ConocoPhillips, ExxonMobil, and Royal Dutch Shell)

The Committee also relies on data provided by its independent consultant for determining that the amounts are competitive and in line with relative performance. Based on its assessment of Chevron s performance in these areas, described on page 27, and in recognition of the desire to position Chevron s awards above the competitor average, the Committee set a Corporate Performance Rating of 180 percent. The Corporate Performance Rating is the same for each NEO.

Individual Performance Modifier. We believe that CIP awards should also reflect an NEO s performance as a member of Chevron s senior leadership team. After the Committee has applied the Corporate Performance Rating to the CIP Award Target for each NEO, the Committee exercises its discretion in further adjusting the final CIP award to take into account individual performance, including business performance in the areas of responsibility reporting to the NEO and his or her units operational excellence performance (safety, environmental stewardship, etc.) and capital stewardship. The list of individual performance accomplishments are described on page 28. The Committee does not use a predetermined set of metrics, performance targets or formula in considering individual performance. Instead, the Committee uses its judgment and discretion in analyzing the individual performance of each NEO, including how the business units reporting to the NEO performed.

2011 CIP Awards. Individual modifiers and final award values for the NEOs are shown below:

Mr. Watson received an award of $4,000,000. This amount reflects the amount of his base salary ($1,600,000) multiplied by his CIP Award Target percentage of 130 percent multiplied by the Corporate Performance Rating of 180 percent, resulting in an award of $3,744,000. The remaining $256,000 of Mr. Watson s award is attributable to the Committee s and Board s assessment of his individual performance, described on page 28.

Ms. Yarrington received an award of $1,425,000. This amount reflects the amount of her base salary ($860,000) multiplied by her CIP Award Target percentage of 80 percent multiplied by the Corporate Performance Rating of 180 percent, resulting in an award of $1,238,400. The remaining $186,600 of Ms. Yarrington s award is attributable to the Committee s and Board s assessment of her individual performance, described on page 28.

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Mr. Kirkland received an award of $2,600,000. This amount reflects the amount of his base salary ($1,300,000) multiplied by his CIP Award Target percentage of 100 percent multiplied by the Corporate Performance Rating of 180 percent, resulting in an award of $2,340,000. The remaining $260,000 of Mr. Kirkland s award is attributable to the Committee s and Board s assessment of his individual performance, described on page 28.

Mr. Wirth received an award of $1,500,000. This amount reflects the amount of his base salary ($955,000) multiplied by his CIP Award Target percentage of 80 percent multiplied by the Corporate Performance Rating of 180 percent, resulting in an award of $1,375,200. The remaining $124,800 of Mr. Wirth s award is attributable to the Committee s and Board s assessment of his individual performance, described on page 28.

Mr. Pate received an award of $1,075,000. This amount reflects the amount of his base salary ($739,000) multiplied by his CIP Award Target percentage of 75 percent multiplied by the Corporate Performance Rating of 180 percent, resulting in an award of $997,650. The remaining $77,350 of Mr. Pate s award is attributable to the Committee s and Board s assessment of his individual performance, described on page 28.

Long-Term Incentive Plan of Chevron Corporation (LTIP)

The third material component of our NEOs compensation is an annual long-term equity incentive, or Long-Term Incentive Plan award, consisting of a mix of stock options and performance shares. We believe that LTIP awards should:

- give NEOs a meaningful equity stake in our business;
- encourage performance that significantly increases long-term stockholder return;
- provide a significant portion of the total compensation opportunity that is at risk;
- align directly with stockholder value and our long-term, career employment model; and
- increase in value only to the extent stockholder value increases, meaning, if stockholder value does not increase, the LTIP awards are greatly diminished in value and, in some circumstances, may even have no value.

NEOs are eligible to receive an LTIP award annually. Annual LTIP awards are not given on the basis of past performance; rather they are given on the basis of prospective contribution, retention and incentive. Our NEOs received LTIP awards as detailed in the Grants of Plan-Based Awards in Fiscal Year 2011 table.

How We Structure Annual LTIP Awards

Each NEO s annual LTIP award consists of two components nonstatutory/nonqualified stock options (60 percent) and performance shares (40 percent). We believe using these two kinds of equity incentive awards is appropriate because they are both linked directly to stockholder returns. Stock options provide an absolute measure of performance that is tied directly to the stock market, whereas performance shares add a relative measure of performance. These awards have little or no value unless, in the case of stock options, our stock price appreciates and, in the case of performance shares, our total stockholder return (TSR) compares favorably with the TSRs of our principal energy

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Executive Compensation *(Continued)*

industry peers BP, ConocoPhillips, ExxonMobil and Royal Dutch Shell. The Committee decided to use these companies for TSR ranking to ensure that the potential for payout is based on Chevron s performance as compared with companies that have substantial operations; that are most similar to Chevron in size, complexity of business, and scope and location of operations; and that primarily compete for stockholder investment in the large energy industry market.

Stock Options. The actual number of shares is determined by dividing 60 percent of the value of the NEO s LTIP award by the product of Chevron s 90-day trailing average stock price multiplied by an estimated Black-Scholes value per share. Stock options are awarded with a strike price equal to the closing price on the grant date and vest over three years, one-third upon each anniversary of the grant date. Stock options expire 10 years from the grant date. An NEO may exercise his or her stock options and either sell or hold the shares subject to the option. We report the value of each NEO s 2011 stock option exercises in the Option Exercises and Stock Vested in Fiscal Year 2011 table.

Performance Shares. The actual number of shares is determined by dividing 40 percent of the value of the NEO s LTIP award by the 90-day trailing average stock price. An NEO is eligible to receive a percentage of the cash value of the performance shares at the end of the applicable three-year performance period. The value of the performance share payout depends on how our TSR for the same period compares with that of our top competitors in our Oil Industry Peer Group BP, ConocoPhillips, ExxonMobil and Royal Dutch Shell. For example, performance shares awarded in March 2011 will not be eligible for payout (if any) until 2014; any performance share payouts occurring in 2011 were from performance shares granted in 2008. For awards granted after January 1, 2011, the Committee may, in its discretion, adjust the cash payout of performance shares downward if it determines that business or economic considerations warrant such an adjustment.

TSR was chosen as a measure of performance because it recognizes the profitable management of assets, operating efficiencies and progress in meeting Chevron s strategic objectives. TSR is the change in value of a share of common stock over the performance period, measured in terms of average compound annual growth. It assumes that dividends are reinvested in additional shares. TSR is calculated as follows:

$$\text{TSR} = \frac{(\text{20-day average ending stock price } (\;\;) \text{ 20-day average beginning stock price } (+) \text{ reinvested dividend value})}{\text{20-day average beginning stock price}}$$

Depending on Chevron s TSR rank compared with the peer group, the following performance modifiers apply to the calculation of each performance share payment.

Relative rank	1	2	3	4	5
Modifier	200%	150%	100%	50%	0%

In the footnotes to the Option Exercises and Stock Vested Table in Fiscal Year 2011, we describe the method for calculating the payout value of performance share awards. Performance share payments are made in cash and are equal to the number of performance shares granted multiplied by the performance modifier multiplied by the 20-day average Chevron stock price at the end of the three-year performance period.

For stock options and performance shares, we describe the effects of separation from service in the Potential Payments Upon Termination or Change-in-Control tables.

LTIP is designed to provide the main proportion of a senior executive s pay opportunity and is contingent upon achieving sustained superior performance and, in the case of performance shares,

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Executive Compensation *(Continued)*

performance relative to our competitors, as demonstrated in the marketplace through a relatively higher equity price. LTIP awards are also designed to incentivize long-term decision making as illustrated in the following chart.

Performance share payout occurs at end of three-year performance period. Amount paid depends on Chevron s relative TSR (0-200%).

Stock options have a three-year graduated vesting schedule. Stock price appreciation creates value. Our NEO average hold time to exercise is 6 years.

Payout is not guaranteed.

The CEO. In determining the size of an annual LTIP award for the CEO, the Committee relies upon input from its independent consultant and the data from the Oil Industry Job Match Survey (described above). Based on the size, scope and complexity of our business, the Committee and the other independent Directors believe that the value of the CEO s annual LTIP award at grant should be competitive with similar awards granted to other chief executive officers of other companies in our Oil Industry Peer Group. The Committee does not have predetermined performance targets or a predetermined range within the Oil Industry Peer Group as an objective for awards. On January 26, 2011, the Committee recommended and the Board approved an annual LTIP award for Mr. Watson, which on that date had an economic value competitive with similar awards granted to the other chief executive officers in our Oil Industry Peer Group, consisting of:

NEO	Stock Options	Performance Shares
J.S. Watson	340,000	53,000

NEOs Other Than the CEO. For NEOs other than the CEO, the size of an annual LTIP award is a function of the NEO s salary grade. At the beginning of the performance year, the Committee sets the annual LTIP award size for each salary grade. The Committee believes that the value of an NEO s annual LTIP award should be generally equivalent to the average of the value of similar awards to persons in similar positions at companies of similar size and scope in our Oil Industry Peer Group. The Committee does not, however, fix predetermined performance targets or comparative percentiles for awards. In determining the size of the NEO s annual LTIP award, the Committee relies upon input from its independent consultant and the data from the Oil Industry Job Match Survey (described above).

On January 26, 2011, the Committee approved annual LTIP awards for each of the NEOs other than the CEO, which on that date had an economic value competitive with similar awards granted to other NEOs in our Oil Industry Peer Group, as follows:

NEO	Stock Options	Performance Shares
P.E. Yarrington	132,000	21,000
G.L. Kirkland	190,000	30,000

M.K. Wirth	132,000	21,000
R.H. Pate	95,000	15,000

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Executive Compensation *(Continued)*

From time to time, the Committee may exercise its discretion to award restricted stock units (RSUs). In December 2011, the Committee awarded RSUs for retention purposes to Mr. Pate (22,500), Mr. Wirth (15,000) and Ms. Yarrington (15,000). The terms of the awards are described in the footnotes to the Grants of Plan-Based Awards in Fiscal Year 2011 table.

In the Summary Compensation Table and the Grants of Plan-Based Awards in Fiscal Year 2011 table, we report the actual grant date value and terms of the awards granted in 2011 to each NEO.

Retirement Programs and Other Benefits

The fourth material component of our NEOs compensation includes retirement programs and other benefits. We believe that these programs and benefits should:

- provide increased rewards for higher-performing, longer-tenured employees, in support of our long-term business life cycle;
- complement our career employment model; and
- encourage retention and long-term employment.

Retirement Programs

Since many of our business decisions have long-term horizons and to help ensure our executives have a vested interest in our future profitability, the retirement programs are designed to allow executives to increase their benefits due to longer service.

NEO retirement programs are comparable with our broad-based retirement programs (traditional defined-benefit pension plans and savings plans) except for the inclusion of executive earnings not permitted in the ERISA qualified retirement plans because of IRS limitations. NEOs are eligible to participate in the following retirement programs:

- Chevron Retirement Plan (CRP): A defined-benefit pension plan that is intended to be tax qualified under Internal Revenue Code section 401(a). NEOs who meet the age, service and other requirements of the CRP are eligible for a pension after retirement. In the Summary Compensation Table and Pension Benefits Table, we report the change in pension value in 2011 and the present value of each NEO s accumulated benefit under the CRP.
- Chevron Retirement Restoration Plan (RRP): An unfunded and nonqualified defined-benefit restoration pension plan that is designed to provide benefits comparable with those provided by the CRP but that cannot be paid from the CRP because of IRS limitations on benefits and earnings imposed on tax-qualified plans. In the Pension Benefits Table and accompanying narrative, we describe how the RRP works and present the current value of each NEO s accumulated benefit under the RRP.

Employee Savings Investment Plan (ESIP): A defined contribution plan that is intended to be tax qualified under Internal Revenue Code section 401(k). NEOs who contribute at least 2 percent of their annual compensation (i.e. base salary and CIP award) to the ESIP receive a Company matching contribution equal to 8 percent (or 4 percent if the NEO contributes 1 percent) of their annual compensation until their compensation exceeds the Internal Revenue Code limit ($245,000 in 2011). In the Summary Compensation Table, we describe Chevron s contributions to each NEO s plan account.

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Executive Compensation *(Continued)*

Employee Savings Investment Plan Restoration Plan (ESIP-RP): A nonqualified defined contribution restoration plan that provides for a Chevron matching contribution that would have been paid into the ESIP but for the fact that the NEO s annual compensation (i.e., base salary) exceeded the Internal Revenue Code limit ($245,000 in 2011). NEOs who contribute at least 2 percent of their base salary to the Deferred Compensation Plan receive a Company matching contribution into this plan equal to 8 percent of the NEO s base salary that exceeds the Internal Revenue Code limit. In the Nonqualified Deferred Compensation Table, we describe Chevron s contributions to each NEO s account.

Deferred Compensation Plan (DCP): An unfunded and nonqualified defined contribution plan that permits NEOs to defer up to 90 percent of their CIP awards and LTIP performance shares and up to 40 percent of their base salary above the Internal Revenue Code section 401(a)(17) limit for payment after retirement or separation from service. Deferred amounts can appreciate in value based upon the performance of Chevron s common stock and other funds provided by the plan administrator. In the Nonqualified Deferred Compensation Table, we describe the aggregate NEO deferrals and earnings in 2011.

Benefit Programs

The same health and welfare programs, including post-retirement health care, that are broadly available to our employees on the U.S. payroll also apply to NEOs, with no other special programs.

Perquisites

Perquisites for NEOs are limited and consist principally of financial counseling fees, executive physicals, home security and the aggregate incremental costs to Chevron for personal use of Chevron automobiles and aircraft. The Management Compensation Committee periodically reviews our policies with respect to perquisites. In the Summary Compensation Table, we report each NEO s perquisites in 2011.

PART III. OTHER MATTERS

Stock Ownership Guidelines

We require our NEOs to hold prescribed levels of Chevron common stock, further linking their interests with those of our stockholders. The levels are based on a multiple of each NEO s base salary as follows: CEO, five times; Vice Chairman, Executive Vice Presidents and Chief Financial Officer, four times; all other executive officers, two times. Executives have five years to attain their stock ownership guideline. Based upon our closing stock price on December 31, 2011, our CEO had a stock ownership base-salary multiple of 5.5 times, and our other NEOs averaged a stock ownership base-salary multiple of 6.7 times.

Employment, Severance or Change-in-Control Agreements

We do not generally maintain employment, severance or change-in-control agreements with our NEOs. Upon retirement or separation from service for other reasons, NEOs are entitled to certain accrued benefits and payments generally afforded other employees. We describe these benefits and payments in the Pension Benefits, Nonqualified Deferred Compensation and Potential Payments Upon Termination or Change-in-Control tables. In February 2012, Mr. Pate and Chevron mutually terminated his employment agreement described in last year s Proxy Statement in favor of an

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Executive Compensation *(Continued)*

agreement relating solely to the vesting of Mr. Pate s outstanding equity awards, if any, if Mr. Pate s employment is terminated for any reason on or after August 1, 2019. We describe the effect of this agreement in the footnotes to the table for Mr. Pate in Potential Payments Upon Termination or Change-in-Control.

Compensation Recovery Policies

The Chevron Incentive Plan, Long-Term Incentive Plan of Chevron Corporation, Chevron Deferred Compensation Plan for Management Employees, Chevron Retirement Restoration Plan, and Employee Savings Investment Plan Restoration Plan include provisions permitting us to claw back certain amounts of compensation awarded to an NEO at any time after June 2005 if an NEO engages in certain acts of misconduct, including, among other things: embezzlement, fraud or theft, disclosure of confidential information, or other acts that harm our business, reputation or employees; misconduct resulting in Chevron having to prepare an accounting restatement; or failure to abide by post-termination agreements respecting confidentiality, noncompetition or nonsolicitation.

Tax Gross-Ups

We do not pay tax gross-ups to our NEOs.

The Tax Deductibility of NEO Compensation

We have designed awards under the CIP and LTIP to qualify for deduction under Section 162(m) of the Internal Revenue Code, which permits Chevron to deduct certain compensation paid to our CEO and other three most highly paid executives (excluding the Chief Financial Officer) if compensation in excess of $1 million is performance-based. The performance-based criteria in both the CIP and the LTIP were reapproved by stockholders in 2009. The Management Compensation Committee intends to continue seeking a tax deduction for all qualifying compensation within the Section 162(m) limits to the extent it is in the best interests of Chevron and its stockholders.

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Executive Compensation *(Continued)*

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation of our named executive officers, or NEOs, for the fiscal year ending December 31, 2011, and for the fiscal years ending December 31, 2010 and 2009, if they were NEOs in those years. The primary components of each NEO s compensation are also described in our Compensation Discussion and Analysis, above.

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
J.S. Watson,	2011	$1,570,833	$5,064,680	$7,221,600	$4,000,000	$6,592,206	$277,397	$24,726,716
Chairman and CEO (7)	2010	$1,479,167	$3,752,400	$5,535,200	$3,000,000	$2,273,265	$220,496	$16,260,528
	2009	$ 946,042	$2,382,730	$2,611,200	$1,200,000	$1,553,664	$ 99,055	$ 8,792,691
P.E. Yarrington,	2011	$ 842,500	$3,572,160	$2,803,680	$1,425,000	$2,577,459	$ 67,790	$11,288,589
Vice President &	2010	$ 776,667	$1,486,800	$2,197,800	$1,050,000	$1,273,493	$ 62,133	$ 6,846,893
Chief Financial	2009	$ 707,708	$1,728,070	$1,996,800	$ 700,000	$1,154,130	$ 59,170	$ 6,345,878
Officer								
G.L. Kirkland,	2011	$1,270,833	$2,866,800	$4,035,600	$2,600,000	$5,571,418	$168,112	$16,512,763
Vice Chairman & Executive Vice President (7)	2010	$1,191,667	$2,124,000	$3,093,200	$2,150,000	$3,686,572	$116,603	$12,362,042
	2009	$ 946,042	$2,382,730	$2,611,200	$1,260,000	$2,851,301	$ 94,648	$10,145,921
M.K. Wirth,	2011	$ 938,958	$3,572,160	$2,803,680	$1,500,000	$2,474,409	$ 89,583	$11,378,790
Executive Vice President	2010	$ 896,667	$2,533,340	$2,197,800	$1,250,000	$ 862,826	$119,257	$ 7,859,890
R.H. Pate	2011	$ 725,875	$3,781,500	$2,017,800	$1,075,000	$ 132,686	$ 79,711	$ 7,812,572
Vice President & General Counsel	2010	$ 681,167	$1,132,800	$1,660,560	$ 850,000	$ 61,387	$ 90,205	$ 4,476,119

(1) Reflects actual salary earned during the fiscal year covered. Compensation is reviewed after the end of each year, and salary increases, if any, are generally effective April 1 of the following year. The table below reflects the annual salary rate and effective date for the years in which each person was an NEO and the amounts deferred under the Deferred Compensation Plan for Management Employees (DCP).

Name	Salary Effective Date	Salary	Total Salary Deferred

			Under the DCP
J.S. Watson	April 2011	$ 1,600,000	$534,083
	January 2010	$ 1,500,000	$ 24,683
	April 2009	$ 1,000,000	$ 14,021
P.E. Yarrington	April 2011	$ 860,000	$337,000
	April 2010	$ 800,000	$310,667
	April 2009	$ 720,000	$283,083
G.L. Kirkland	April 2011	$ 1,300,000	$ 20,517
	January 2010	$ 1,200,000	$ 18,933
	April 2009	$ 1,000,000	$ 14,021
M.K. Wirth	April 2011	$ 955,000	$ 13,879
	January 2010	$ 900,000	$ 13,033
R.H. Pate	April 2011	$ 739,000	$ 9,617
	April 2010	$ 694,000	$ 8,723

We explain the amount of salary in proportion to total compensation in our Compensation Discussion and Analysis Part II Compensation Components Allocation Among Components.

(2) Amounts for each fiscal year include the aggregate grant date fair value of performance shares and, in the case of Ms. Yarrington and Messrs. Wirth and Pate, restricted stock units (RSUs) granted under the Long-Term Incentive Plan of Chevron Corporation (LTIP). We calculate the grant date fair value of these awards in accordance with Financial Accounting

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Executive Compensation *(Continued)*

Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (ASC Topic 718), as described in Note 20, Stock Options and Other Share-Based Compensation, to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2011. For purposes of this table only, estimates of forfeitures related to service-based vesting conditions have been disregarded.

For performance shares, the per-share grant date fair value was as follows: $95.56 for the 2011 grant, $70.80 for the 2010 grant and $82.57 for the 2009 grant. We use a Monte Carlo approach to calculate estimated grant date fair value. To derive estimated grant date fair value per share, this valuation technique simulates total stockholder return (TSR) for the Company and our top competitors in our Oil Industry Peer Group (ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips) using market data for a period equal to the term of the performance period, correlates the simulated returns within the peer group to estimate a probable payout value, and discounts the probable payout value using a risk-free rate for Treasury bonds having a term equal to the performance period. Performance shares are paid in cash, and the cash payout, if any, is based on market conditions at the end of the performance period and calculated in the manner described in Footnote 2 to the Option Exercises and Stock Vested in Fiscal Year 2011 table, below. The terms of performance shares granted in 2011 are described in the Grants of Plan-Based Awards in Fiscal Year 2011 table, below.

For Ms. Yarrington and Messrs. Wirth and Pate, the 2011 amount includes the aggregate grant date fair value of restricted stock units (RSUs) granted on December 6, 2011. The per-unit grant date fair value of the RSUs was $104.36, the closing price of Chevron common stock on the grant date. RSUs earn nonpreferential dividend equivalents and are paid in cash upon vesting, based on the Chevron common stock closing price on each vesting date. The number of shares subject to and the terms of these RSUs are described in the Grants of Plan-Based Awards in Fiscal Year 2011 table, below.

(3) Amounts reflect the aggregate grant date fair value for nonstatutory/nonqualified stock options granted under the LTIP. The per-option grant date fair value was as follows: $21.24 for the 2011 grant, $16.28 for the 2010 grant and $15.36 for the 2009 grant. We calculate the grant date fair value of these options in accordance with ASC Topic 718, as described in Note 20, Stock Options and Other Share-Based Compensation, to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2011. For purposes of this table only, estimates of forfeitures related to service-based vesting conditions have been disregarded.

(4) 2011 amounts reflect Chevron Incentive Plan awards for the 2011 performance year that were awarded in April 2012. Ms. Yarrington elected to defer 90 percent of her award, or $1,282,500, to the Deferred Compensation Plan for Management Employees. See Compensation Discussion and Analysis Part II Chevron Incentive Plan for a detailed description of CIP awards.

(5) 2011 amounts represent the aggregate change in the actuarial present value of the NEO s pension value for the Chevron Retirement Plan (CRP) and the Chevron Retirement Restoration Plan (RRP) from January 1, 2011, through December 31, 2011, expressed as a lump sum. (The Deferred Compensation Plan and ESIP Restoration Plan (ESIP-RP) do not pay above-market or preferential earnings and are not represented in this table.)

2011 increases in the actuarial present value of an NEO s pension value are attributable to four factors.

First, increases in highest average base salary and CIP awards, or Highest Average Earnings (HAE). Mr. Watson has now been CEO for two years, and his HAE, which also reflects two years of compensation at the CEO level, increased by approximately 42 percent. Ms. Yarrington s HAE increased by approximately 21 percent, Mr. Kirkland s by approximately 25 percent and Mr. Wirth s by approximately 18 percent. Mr. Pate s HAE increased by approximately 37 percent; however, he was hired in 2009, so last year s HAE, which included compensation from 2009 and 2010, included only one CIP award, which was based on 2009 earnings, a partial year, and paid in 2010, and this year s HAE includes two CIP awards, those paid in 2010 and 2011.

Second, the lower interest rate assumptions that were used to estimate the value of the benefit. A lower interest rate produces a greater pension value. The lump sums for determining the actuarial present values of the pension benefit are based on the Pension Protection Act of 2006 lump sum interest rates, and such rates for 2012 are equivalent to a rate that is approximately 1 percent less than the 2011 rates. In addition, this year s discount rate, 3.75 percent, is 1 percent less than last year s discount rate, 4.75 percent. The lower interest rates accounted for an average of 25 percent of the increase in pension value.

Third, an increase in the pension benefit for an additional year of benefit service earned in 2011. All of the NEOs worked for a full year in 2011, and therefore their pension benefits increased because they earned an additional year of benefit service.

Fourth, a shorter discount period to retirement age as a result of an additional year of benefit service. For all of the NEOs (except for Mr. Kirkland, who attained age 60 last year), the discount period to retirement age was shorter as of December 31, 2011. The result of a shorter discount period to retirement age is an increase in the pension values. The change in pension value for Mr. Pate is less relative to the other NEOs because his credited service is significantly less.

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Executive Compensation *(Continued)*

(6) All Other Compensation for 2011 includes the following items but excludes other arrangements that are generally available to our salaried employees on the U.S. payroll and do not discriminate in scope, terms or operations in favor of our NEOs, such as our relocation, medical, dental, disability and group life insurance programs.

	J.S. Watson	P.E. Yarrington	G.L. Kirkland	M.K. Wirth	R.H. Pate
ESIP Company Contributions (a)	$ 19,600	$19,600	$ 19,600	$19,600	$19,600
ESIP-RP Company Contributions (a)	$106,067	$47,800	$ 82,067	$55,517	$38,470
Perquisites (b)					
Financial Counseling	$ 24,240	$	$ 18,168	$13,728	$13,728
Motor Vehicles	$ 2,953	$	$ 7,312	$	$
Corporate Aircraft (c)	$ 57,362	$	$ 40,575	$	$
Other (d)	$ 67,175	$ 390	$ 390	$ 738	$ 7,913
Total, All Other Compensation	$277,397	$67,790	$168,112	$89,583	$79,711

(a) The Employee Savings Investment Plan is a tax-qualified defined contribution plan open to employees on the U.S. payroll. When an employee contributes 2 percent of earnings to the ESIP, the Company provides an 8 percent match. Employees may choose to contribute 1 percent and receive a 4 percent match. They may also choose to contribute an amount above 2 percent, but none of the amount above 2 percent is matched. The Company match up to IRS limits ($245,000 of income in 2011) is made to the qualified ESIP account. For amounts above the IRS limit, the executive can elect to have 2 percent of base pay directed into the Deferred Compensation Plan, and the Company will match those funds in the nonqualified ESIP Restoration Plan.

(b) Items deemed perquisites are valued on the basis of their aggregate incremental cost to the Company. We do not provide tax gross-ups to our NEOs for any perquisites. Except in the case of corporate aircraft and motor vehicles, aggregate incremental cost is the same as actual cost.

(c) Generally, executives are not allowed to use Company planes for personal use. For security reasons, the CEO has been requested to use a Company plane in most instances of travel. On a very limited basis, the CEO may authorize the personal use of a Company plane by other persons if, for example, it is in relation to and part of a trip that is otherwise business related or it is in connection with a personal emergency. Aggregate incremental cost was determined by multiplying the operating hours attributable to personal use by the average estimated direct operating costs and the addition of crew costs for overnight lodging and meals and other fees, as applicable.

(d) For Mr. Watson, reflects the aggregate incremental cost of home security improvements following a home security assessment in 2011 ($65,938) and an executive physical ($1,237). For Mr. Wirth, includes the aggregate incremental cost of home security ($348). For Mr. Pate, includes the aggregate incremental cost of an executive physical ($7,523). In each case, aggregate incremental cost is the same as actual cost.

(7) Messrs. Watson and Kirkland are also Directors of the Company but do not receive any additional compensation for their service.

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Executive Compensation *(Continued)*

GRANTS OF PLAN-BASED AWARDS IN FISCAL YEAR 2011

The following table sets forth information concerning the grants of non-equity and equity incentive plan awards to our named executive officers, or NEOs, in 2011. Non-equity incentive plan awards are made under our Chevron Incentive Plan (CIP), and equity incentive awards (performance shares, stock options and restricted stock unit awards) are made under our Long-Term Incentive Plan of Chevron Corporation (LTIP). These awards are also described in our Compensation Discussion and Analysis Part II Compensation Components Long-Term Incentive Plan of Chevron Corporation.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option
Name	**Award Type**	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**(#) (3)**	**(#) (4)**	**($/Sh) (5)**	**Awards (6)**
J.S. Watson	CIP			$2,080,000								
	Perf Shares	1/26/2011				13,250	53,000	106,000				$5,064,680
	Options	1/26/2011								340,000	$94.64	$7,221,600
P.E. Yarrington	CIP			$ 688,000								
	Perf Shares	1/26/2011				5,250	21,000	42,000				$2,006,760