Egan-Jones Proxy Services

Research Report

Company		Ticker Symbol	CUSIP
CHEVRON CORPORATION		CVX	166764100
Guideline	**Meeting Date**	**Record Date**	**Date Published**
Standard	05/25/16	03/30/16	05/16/16

Meeting Information	
Meeting Type	Annual
Meeting Date	05/25/16
Record Date	03/30/16

Items & Recommendations

We recommend that clients holding shares of CHEVRON CORPORATION vote:

Item	Egan-Jones Recommendation	Management Recommendation
1A-1K – Election of Directors	FOR, WITH EXCEPTION OF 1C) Robert E. Denham, 1E) Enrique Hernandez, Jr., 1H) John G. Stumpf, 1I) Ronald D. Sugar, and 1J) Inge D. Thulin	FOR ALL
2 – Ratification of Auditors	FOR	FOR
3 – Advisory Vote on Executive Compensation	AGAINST	FOR
4 – Approval of an Amendment to the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan	FOR	FOR
5 – Shareholder Proposal Regarding Report on Lobbying	AGAINST	AGAINST
6 – Shareholder Proposal Regarding Targets for Reducing Greenhouse Gas Emissions	AGAINST	AGAINST
7 – Shareholder Proposal Regarding Report on Climate Change Impact Assessment	FOR	AGAINST
8 – Shareholder Proposal Regarding Report on Reserve Replacements	AGAINST	AGAINST
9 – Shareholder Proposal Regarding Dividend Policy	AGAINST	AGAINST
10 – Shareholder Proposal Regarding Report on Shale Energy Operations	FOR	AGAINST
11 – Shareholder Proposal Regarding Independent Director with Environmental Expertise	AGAINST	AGAINST
12 – Shareholder Proposal Regarding Special Meetings	AGAINST	AGAINST

Considerations and Recommendations

Egan-Jones' review centered on the Proposals in the context of maximizing shareholder value, based on publicly available information.

Board and Compensation Rating Score Summary

Ticker	**CVX**
Company name	**CHEVRON CORPORATION**

Board Rating Score

Item	**TRUE/FALSE**
CEO and Chairman Separate	FALSE
Annual Director Elections	TRUE
One Class of Voting Stock Only	TRUE
Compensation Committee with All Independents	TRUE
Audit Committee with All Independents	TRUE
Nominating Committee with All Independents	TRUE
Non-binding Compensation Vote on Agenda	TRUE
Majority Independent Directors on Board	TRUE
Over-boarded CEO Director	FALSE
Over-boarded Non-CEO Director	FALSE
Major cyber security breach	FALSE
Failure to implement sufficient carbon risk plan*	TRUE
Other financial or operational risk control failure	FALSE
Other serious reputational risk failure by the Board	FALSE
Version	VER 1.02 2/21/2015
Sub Total	60.00
Performance Adjustment	0.00
Total	60.00
Final Board Score	***Neutral***

**We recognize the Company's efforts to address a carbon risk plan in order to minimize the potential effects on climate change. We note, however, that adoption of a more comprehensive carbon risk plan and policy, coupled with implementation, enforcement, independent monitoring, and transparent, comprehensive reporting will assure shareholders of the Company's commitment to address this significant business risk.*

Compensation Rating Score

CEO Total Comp ($)	22,035,887
CEO Salary ($)	1,855,479
TSR (%)	-31.1
Market Capitalization ($M)	148,332.1
Wealth Creation ($M)	-46,154.8
Wealth Creation/CEOPAY	-2,094.5
Raw Score (pre adjustments)	Needs Attention
Final Score	***Needs Attention***
Rating Model Version	VER 2.41 4/1/2016
High CEO Total Compensation	Negative Adjustment
CEO Salary Under $1 Million Limit	No Adjustment
Other Adjustments:	No Adjustment

Items 1A-1K

Election of Directors

There is a single slate of nominees, the nominees appear qualified, however,**the Company earns a compensation score of "Needs Attention," and as such, we recommend that clients "WITHHOLD" votes from the members of the Compensation Committee, namely Independent outside directors Robert E. Denham, Enrique Hernandez, Jr., John G. Stumpf, Ronald D.**

Sugar, and Inge D. Thulin. Egan-Jones believes that the Compensation Committee should be held accountable for such a poor rating and should ensure that the Company's compensation policies and procedures are centered on a competitive pay-for-performance culture, strongly aligned with the long-term interest of its shareholders and necessary to attract and retain experienced, highly qualified executives critical to the Company's long-term success and the enhancement of shareholder value.

We note the presence of the key Board committees namely Audit, Compensation, and Nominating/Corporate Governance Committees, comprised solely of Independent outside directors. All current Directors attended 79% or more of the Board meetings and their Board committee meetings during 2015.

DIRECTOR NOMINEES:

Alexander B. Cummings Jr.

Retired Executive Vice President and Chief Administrative Officer, The Coca-Cola Company

Age: 59

Director Since: December 2014

Independent: Yes

Chevron Committees:

• Audit – audit committee financial expert

Current Public Company Directorships:

• Coca-Cola Bottling Co. Consolidated

Prior Public Company Directorships (within last five years):

• None

Other Directorships and Memberships:

• African Leadership Foundation

• CARE USA

• Clark Atlanta University (Chair)

• Cummings Africa Foundation (Founder and Chair)

• S.C. Johnson & Son, Inc.

Mr. Cummings was Executive Vice President and Chief Administrative Officer of The Coca-Cola Company, the world's largest beverage manufacturer, from 2008 until his retirement in March 2016. He served as President and Chief Operating Officer of The Coca-Cola Company's Africa Group from 2001 until 2008 and was President of the North & West Africa Division from 2000 to 2001. Mr. Cummings joined The Coca-Cola Company in 1997 as Region Manager, Nigeria. Prior to that, he held various management positions with The Pillsbury Company, a food services and manufacturing company, including Vice President of Finance for Pillsbury International.

Skills and Qualifications

Business Leadership / Operations: Served eight years as EVP and CAO of The Coca-Cola Company. At Coca-Cola, responsible for key global corporate functions including legal, human resources, community engagement, and strategic planning.

Finance: Nearly two decades of financial responsibility and experience at The Coca-Cola Company. Former VP of Finance for Pillsbury International.

Global Business / International Affairs: Served as President and COO of The Coca-Cola Company's Africa Group and President of the North & West Africa Division. Founder and Chairman of the Cummings Africa Foundation, which aims to empower and uplift Africans in education, health and agriculture, and a director of the African Leadership Foundation.

Science / Technology / Engineering: As EVP and CAO of The Coca-Cola Company, responsible for key global corporate functions, including information technology, sustainability, research and development, product integrity, innovation, and procurement.

Linnet F. Deily

Former Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization

Age: 70

Director Since: January 2006

Independent: Yes

Chevron Committees:

• Board Nominating and Governance

• Public Policy (Chair)

Current Public Company Directorships:

• Honeywell International Inc.

Prior Public Company Directorships (within last five years):

• None

Other Directorships and Memberships:

• Episcopal Health Foundation (Chair)

• Houston Endowment, Inc.

• Houston Museum of Fine Arts

• Houston Zoo (Vice Chair)

• University of Texas MD Anderson Cancer Center Board of Visitors

Ms. Deily served as Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization (WTO) from 2001 until 2005. She was Vice Chairman of Charles Schwab Corporation, a brokerage and financial services company, from 2000 until 2001, President of Schwab Retail Group from 1998 until 2000, and President of Schwab Institutional Services for Investment Managers from 1996 until 1998. Prior to joining Schwab, Ms. Deily was Chairman, Chief Executive Officer, and President from 1990 until 1996 and President and Chief Operating Officer from 1988 until 1990 of First Interstate Bank of Texas.

Skills and Qualifications

Business Leadership / Operations: Former Vice Chairman, Charles Schwab; President, Schwab Retail Group; and President, Schwab Institutional Services for Investment Managers. Former Chairman, CEO, President, and COO, First Interstate Bank of Texas.

Environmental Affairs: As Deputy U.S. Trade Representative and U.S. Ambassador to the WTO, oversaw negotiation of various environmental issues.

Finance: More than 20 years of experience in the banking and financial services industry.

Global Business / International Affairs: Served as Deputy U.S. Trade Representative and U.S. Ambassador to the WTO. Current and former director of companies with international operations.

Government / Regulatory / Public Policy: More than 20 years of experience in the highly regulated banking and financial services industry. Served as Deputy U.S. Trade Representative and U.S. Ambassador to the WTO.

Robert E. Denham

Partner, Munger, Tolles & Olson LLP

Age: 70

Director Since: April 2004

Independent: Yes

Chevron Committees:

• Audit – audit committee financial expert

• Management Compensation

Current Public Company Directorships:

• Fomento Económico Mexicano, S.A. de C.V.

• The New York Times Company

• Oaktree Capital Group, LLC

Prior Public Company Directorships (within last five years):

• UGL Limited

• Wesco Financial Corporation

Other Directorships and Memberships:

• Good Samaritan Hospital of Los Angeles (Vice Chair)

• James Irvine Foundation

• MDRC

• New Village Girls Academy

• Professional Ethics Executive Committee of the American Institute of Certified Public Accountants (Public Member)

Mr. Denham has been a Partner of Munger, Tolles & Olson LLP, a law firm, since 1998 and from 1973 until 1991. He was Chairman and Chief Executive Officer of Salomon Inc, a financial services holding company, from 1992 until 1998. Mr. Denham joined Salomon in 1991, as General Counsel of Salomon and its subsidiary, Salomon Brothers.

Skills and Qualifications

Business Leadership / Operations: Served six years as CEO of Salomon Inc, whose principal businesses included investment banking and securities trading (Salomon Brothers), commodities trading (Phibro), and oil refining (Basis Petroleum).

Environmental Affairs: Former Trustee of Natural Resources Defense Council, an international environmental nonprofit organization that works to protect the world's natural resources. Former Chairman of the John D. and Catherine T. MacArthur Foundation, which funds environmental and sustainable development programs. Unique experience with environmental issues by representing buyers and sellers in complex mergers and acquisitions.

Finance: Former CEO of global financial services company. Served as Chairman and President of the Financial Accounting Foundation. Has represented numerous buyers and sellers in complex mergers and acquisitions and financing transactions.

Government / Regulatory / Public Policy: Serves as a public member of the Professional Ethics Executive Committee of the American Institute of Certified Public Accountants. Served as presidential appointee to the APEC Business Advisory Council and the Bipartisan Commission on Entitlement and Tax Reform.

Legal: Partner of Munger, Tolles & Olson LLP. Extensive experience with mergers and acquisitions and strategic, financial, and corporate governance issues. Law degree from Harvard Law School.

Alice P. Gast

President, Imperial College London

Age: 57

Director Since: December 2012

Independent: Yes

Chevron Committees:

• Audit

Current Public Company Directorships:

• None

Prior Public Company Directorships (within last five years):

• None

Other Directorships and Memberships:

• Science Envoy to the Caucasus and Central Asia appointed by the U.S. Department of State

• King Abdullah University of Science and Technology in Thuwal, Saudi Arabia

• Global Science and Innovation Advisory Council to the Prime Minister of Malaysia

• The New York Academy of Sciences

Dr. Gast has been President of Imperial College London, a public research university specializing in science, engineering, medicine, and business, since 2014. She was President of Lehigh University, a private research university, from 2006 until 2014 and Vice President for Research, Associate Provost, and Robert T. Haslam Chair in Chemical Engineering at Massachusetts Institute of Technology from 2001 until 2006. Dr. Gast was professor of chemical engineering at Stanford University and the Stanford Synchrotron Radiation Laboratory from 1985 until 2001.

Skills and Qualifications

Environmental Affairs: At Imperial College London, oversees environmental institutes and centers. At Lehigh University, presided over the establishment of STEPS, an initiative on science, technology, environment, policy, and society, and oversaw the university's Environmental Advisory Group and emergency and crisis management planning, which included preparedness for environmental emergencies. Expertise in chemical and biological terrorism issues gained through service on several governmental committees.

Finance: Ten years of service as president of leading educational institutions, with ultimate responsibility for finance, fundraising, and endowment management.

Global Business / International Affairs: Appointed as a U.S. Science Envoy by the U.S. Department of State to advise on ways to foster and deepen relationships with the Caucasus and Central Asia. Appointed to the Singapore Ministry of Education's Academic Research Council and to the Board of Trustees for the King Abdullah University of Science and Technology in Saudi Arabia. Serves on the Council on Competitiveness and on the Global Science and Innovation Advisory Council to the Prime Minister of Malaysia.

Government / Regulatory / Public Policy: Served on the Homeland Security Science and Technology Advisory Committee. Chaired the scientific review committee empaneled by the National Research Council at the request of the FBI to conduct an independent review of the investigatory methods used by the FBI in the criminal case involving the mailing of anthrax spores.

Research / Academia: More than three decades of service in academia and research at leading educational institutions.

Science / Technology / Engineering: M.A. and Ph.D. in chemical engineering from Princeton University. Former Vice President for Research, Associate Provost, and Robert T. Haslam Chair in Chemical Engineering at Massachusetts Institute of Technology and professor of chemical engineering at Stanford University and the Stanford Synchrotron Radiation Laboratory.

Enrique Hernandez Jr.

Chairman, Chief Executive Officer and President, Inter-Con Security Systems, Inc.

Age: 60

Director Since: December 2008

Independent: Yes

Chevron Committees:

• Management Compensation (Chair)

• Public Policy

Current Public Company Directorships:

• McDonald's Corporation

• Nordstrom, Inc.

• Wells Fargo & Company

Prior Public Company Directorships (within last five years):

• None

Other Directorships and Memberships:

• Catholic Community Foundation of Los Angeles

• Harvard College Visiting Committee

• Harvard University Resources Committee

• John Randolph Haynes and Dora Haynes Foundation

• University of Notre Dame

Mr. Hernandez has been Chairman, Chief Executive Officer, and President of Inter-Con Security Systems, Inc., a global provider of security services to local, state, federal, and foreign governments, utilities, and corporations, since 1986. He was Executive Vice President and Assistant General Counsel of Inter-Con from 1984 until 1986 and an associate of the law firm of Brobeck, Phleger & Harrison from 1980 until 1984.

Skills and Qualifications

Business Leadership / Operations: Three decades of service as CEO of Inter-Con Security Systems, Inc. Co-founder of Interspan Communications, a television broadcasting company.

Finance: Three decades of financial responsibility and experience at Inter-Con Security Systems, Inc. Audit committee member at McDonald's Corporation (chair) and Wells Fargo & Company. Chair of the finance committee and risk committee at Wells Fargo & Company. Former audit committee member at Great Western Financial Corporation, Nordstrom, Inc., and Washington Mutual, Inc.

Global Business / International Affairs: CEO of a company that conducts business worldwide. Director of companies with international operations.

Government / Regulatory / Public Policy: Trustee of the John Randolph Haynes Foundation, which has funded hundreds of important urban studies in education, transportation, local government elections, public safety, and other public issues. Former appointee and Commissioner and President of the Los Angeles Police Commission. Served on the U.S. National Infrastructure Advisory Committee.

Legal: Served as EVP and Assistant General Counsel of Inter-Con Security Systems. Former litigation associate of the law firm of Brobeck, Phleger & Harrison. Law degree from Harvard Law School.

Jon M. Huntsman, Jr.

Former U.S. Ambassador to China and former Governor of Utah

Age: 56

Director Since: January 2014

Independent: Yes

Chevron Committees:

• Board Nominating and Governance

• Public Policy

Current Public Company Directorships:

• Caterpillar, Inc.

• Ford Motor Company

• Hilton Worldwide Holdings Inc.

Prior Public Company Directorships (within last five years):

• Huntsman Corporation

Other Directorships and Memberships:

• Brookings Institution

• Carnegie Endowment for International Peace

• National Committee on U.S.-China Relations

• No Labels (Co-Chair)

• Ronald Reagan Presidential Foundation and Library

• University of Pennsylvania

• U.S. Naval Academy Foundation

Governor Huntsman has been Chairman of the Atlantic Council, a nonprofit that promotes leadership and engagement in international affairs, since 2014 and Chairman of the Huntsman Cancer Foundation, a nonprofit organization that financially supports research, education, and patient care initiatives at Huntsman Cancer Institute at the University of Utah, since 2012. He was a candidate for the

Republican nomination for president of the United States in 2011. Governor Huntsman served as U.S. Ambassador to China from 2009 until 2011 and two consecutive terms as Governor of Utah from 2005 until 2009. Prior to his service as Governor, he served as U.S. Ambassador to Singapore, Deputy U.S. Trade Representative, and Deputy Assistant Secretary of Commerce for Asia. Between these appointments, Governor Huntsman was employed by Huntsman Corporation, a global manufacturer and marketer of differentiated chemicals, in various capacities, including Vice Chairman, and as Chairman and Chief Executive Officer of Huntsman Holdings Corporation, until his resignation in 2005.

Skills and Qualifications

Business Leadership / Operations: Served eight years as Vice Chairman of Huntsman Corporation and Chairman and CEO of Huntsman Holdings Corporation.

Environmental Affairs: As Governor of Utah, oversaw environmental policy, including signing the Western Climate Initiative, by which Utah joined with other U.S. state governments to pursue targets for reduced greenhouse gas emissions. Significant experience overseeing environmental practices and related matters as Vice Chairman of Huntsman Corporation and Chairman and CEO of Huntsman Holdings Corporation.

Finance: Former executive officer of Huntsman Corporation and Huntsman Holdings Corporation.

Global Business / International Affairs: Chairman of the Atlantic Council. Trustee of the National Committee on US-China Relations and of the Carnegie Endowment for International Peace. Former U.S. Ambassador to China. Former two-term Governor of Utah. Former U.S. Ambassador to Singapore, Deputy U.S. Trade Representative, and Deputy Assistant Secretary of Commerce for Asia. Founding director of the Pacific Council on International Policy. Current and former director of companies with international operations.

Government / Regulatory / Public Policy: Former two-term Governor of Utah. Former Deputy U.S. Trade Representative and Deputy Assistant Secretary of Commerce for Asia. Co-Chair of No-Labels, a nonprofit organization that works across political party lines to reduce gridlock and create policy solutions.

Charles W. Moorman IV

Retired Chairman, Chief Executive Officer and President, Norfolk Southern Corporation

Age: 64

Director Since: May 2012

Independent: Yes

Chevron Committees:

• Audit (Chair) – audit committee financial expert

Current Public Company Directorships:

• Duke Energy

Prior Public Company Directorships (within last five years):

• Norfolk Southern Corporation

Other Directorships and Memberships:

• Hampton Roads Community Foundation

• National Academy of Engineering

• Nature Conservancy of Virginia (Chair)

• University of Virginia Medical Center Operating Board

• Virginia Business Council

Mr. Moorman is retired Chairman, Chief Executive Officer, and President of Norfolk Southern Corporation, a freight and transportation company. He served as Chairman of Norfolk Southern from 2006 until 2015, as Chief Executive Officer from 2004 until 2015, and President from 2004 until 2013. Prior to that, Mr. Moorman was Senior Vice President of Corporate Planning and Services from 2003 until 2004 and Senior Vice President of Corporate Services in 2003. Mr. Moorman joined Norfolk Southern in 1975.

Skills and Qualifications

Business Leadership / Operations: Served more than a decade as CEO of Norfolk Southern Corporation. Forty-year career with

Norfolk Southern included numerous senior management and executive positions, with emphasis on operations.

Environmental Affairs: At Norfolk Southern Corporation, gained experience with environmental issues related to transportation of coal, automotive and industrial products. Serves as Virginia chapter chair of The Nature Conservancy, a global conservation organization. Served as a trustee of the Chesapeake Bay Foundation, whose mission is to protect the environmental integrity of the bay.

Finance: Former CEO of Fortune 500 company. More than three decades of financial responsibility and experience at Norfolk Southern Corporation.

Government / Regulatory / Public Policy: More than three decades of experience in the highly regulated freight and transportation industry.

Science / Technology / Engineering: Forty-year career with Norfolk Southern included numerous senior management and executive positions requiring expertise in engineering and technology. Norfolk Southern builds and maintains track and bridges, operates trains and equipment, and designs and manages complex information technology systems.

John G. Stumpf

Chairman and Chief Executive Officer,

Wells Fargo & Company

Age: 62

Director Since: May 2010

Independent: Yes

Chevron Committees:

• Board Nominating and Governance

• Management Compensation

Current Public Company Directorships:

• Target Corporation

• Wells Fargo & Company

Prior Public Company Directorships

(within last five years):

• None

Other Directorships and Memberships:

• The Clearing House

• Financial Services Roundtable

• Federal Reserve Board Advisory Council (as appointed representative of the Federal Reserve Bank of San Francisco)

Mr. Stumpf has been Chairman since 2010 and Chief Executive Officer since 2007 of Wells Fargo & Company, a diversified, financial services company. He also served as President from 2005 to 2015. Mr. Stumpf was Group Executive Vice President of Community Banking from 2002 to 2005. 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, a diversified, financial services company, until its merger with Wells Fargo in 1998, at which time he became head of Wells Fargo's Southwestern Banking Group.

Skills and Qualifications

Business Leadership / Operations: More than nine years of service as CEO of Wells Fargo & Company. More than three decades of senior management and executive positions in banking and financial services.

Environmental Affairs: As Chairman and CEO of Wells Fargo & Company, has implemented several environmental initiatives. Wells Fargo ranked as the top financial services company in LEED certified square footage (2015). As CEO of a major financial services company, oversees environmental risk exposure of investment portfolio.

Finance: CEO of Fortune 500 company. More than three decades of financial responsibility and experience in the banking and financial services industry. Member of the Federal Reserve Board Advisory Council.

Government / Regulatory / Public Policy: More than three decades of experience in the highly regulated banking and financial services industry.

Ronald D. Sugar

Retired Chairman and Chief Executive Officer, Northrop Grumman Corporation

Lead Director since: 2015

Age: 67

Director Since: April 2005

Independent: Yes

Chevron Committees:

• Board Nominating and Governance (Chair)

• Management Compensation

Current Public Company Directorships:

• Air Lease Corporation

• Amgen Inc.

• Apple Inc.

Prior Public Company Directorships

(within last five years):

• None

Other Directorships and Memberships:

• Alliance College-Ready Public Schools

• BeyondTrust

• 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

Dr. Sugar is a senior advisor to various businesses and organizations, including Ares Management LLC, a leading private investment firm; Bain & Company, a global consulting firm; Temasek Americas Advisory Panel, a private investment company based in Singapore; and the G100 Network and the World 50, peer-to-peer exchanges for current and former senior executives from some of the world’s largest companies. He was previously Chairman and Chief Executive Officer from 2003 until his retirement in 2010 and President and Chief Operating Officer from 2001 until 2003 of Northrop Grumman Corporation, a global security and defense company. He joined Northrop Grumman in 2001, having previously served as President and Chief Operating Officer of Litton Industries, Inc., a developer of military products, and earlier as an executive of TRW Inc., a developer of missile systems and spacecraft.

Skills and Qualifications

Business Leadership / Operations: Served seven years as CEO of Northrop Grumman Corporation. Senior management and executive positions, including service as COO, at Northrop Grumman, Litton Industries, Inc., and TRW Inc.

Environmental Affairs: As Chairman, CEO, and President of Northrop Grumman Corporation, oversaw environmental assessments and remediations at shipyards and aircraft and electronics factories.

Finance: Former CEO of Fortune 500 company. More than three decades of financial responsibility and experience at Northrop Grumman, Litton Industries, Inc. and TRW Inc. Current audit committee chair at Apple Inc. and former audit committee chair at Chevron.

Global Business / International Affairs: Former CEO of Fortune 500 company with extensive international operations. Current and former director of companies with international operations.

Government / Regulatory / Public Policy: At Northrop Grumman Corporation, a key government contractor, oversaw development of weapons and other technologies. Appointed by President of the United States to the National Security Telecommunications Advisory Committee. Former director of World Affairs Council of Los Angeles.

Science / Technology / Engineering: Ph.D. in electrical engineering from the University of California at Los Angeles. Served in a variety of senior management and executive positions at Northrop Grumman, Litton Industries, Inc., and TRW Inc., requiring expertise in engineering and technology. Director at Amgen Inc., a biotechnology company; Apple Inc., a manufacturer and seller of, among other things, personal computers, mobile communication and media devices; and BeyondTrust, a global cybersecurity company.

Inge G. Thulin

Chairman, President, and Chief Executive Officer, 3M Company

Age: 62

Director Since: January 2015

Independent: Yes

Chevron Committees:

• Board Nominating and Governance

• Management Compensation

Current Public Company Directorships:

• 3M Company

Prior Public Company Directorships

(within last five years):

• The Toro Company

Other Directorships and Memberships:

• The Business Council

• Business Roundtable

• Council on Foreign Relations

• World Economic Forum, International Business Council

Mr. Thulin has been Chairman, President, and Chief Executive Officer of 3M Company, a diversified technology company, since 2012. He was Executive Vice President and Chief Operating Officer of 3M from 2011 until 2012, with responsibility for all of 3M's business segments and international operations. From 2004 until 2011, Mr. Thulin was Executive Vice President of International Operations. He joined 3M Sweden in 1979, working in sales and marketing, and has held numerous leadership positions in Asia Pacific, Europe, and the Middle East, and across multiple businesses.

Skills and Qualifications

Business Leadership / Operations: Four years of service as CEO of 3M Company. More than three decades of experience in senior management and executive positions at 3M Company, including responsibility for international operations.

Environmental Affairs: As Chairman, President, and CEO of 3M Company, oversees all aspects of 3M's environmental and sustainability policies and strategies, which include initiatives to address challenges like energy availability and security, raw material scarcity, human health, and environmental safety, education and development.

Finance: CEO of Fortune 500 company. More than three decades of financial responsibility and experience at 3M Company.

Global Business / International Affairs: Chairman, CEO, and President of Fortune 500 company with extensive international operations. At 3M Company, served as EVP for International Operations and Managing Director, 3M Russia. Member of the International Business Council of the World Economic Forum.

Science / Technology / Engineering: Has served in a variety of senior management and executive positions at 3M Company, requiring expertise in engineering and technology. 3M is a diversified technology company.

John S. Watson

Chairman and Chief Executive Officer, Chevron Corporation

Age: 59

Director Since: December 2009

Independent: No

Chevron Committees:

• None

Current Public Company Directorships:

• None

Prior Public Company Directorships

(within last five years):

• None

Other Directorships and Memberships:

• American Petroleum Institute

• American Society of Corporate Executives

• The Business Council

• Business Roundtable

• JPMorgan International Council

• National Petroleum Council

• University of California Davis Chancellor's Board of Advisors

Mr. Watson has been Chairman and Chief Executive Officer of Chevron since 2010. He was Vice Chairman from 2009 until 2010 and Executive Vice President of Strategy and Development from 2008 until 2009. From 2005 until 2008, Mr. Watson was President of Chevron International Exploration and Production Company, and from 2001 until 2005, he was Chief Financial Officer. In 1998, he was named Vice President with responsibility for strategic planning and mergers and acquisitions. Mr. Watson joined Chevron in 1980.

Skills and Qualifications

Business Leadership / Operations: Six years of service as CEO of Chevron. As Vice Chairman, responsible for business development, mergers and acquisitions, strategic planning, corporate compliance, policy, government and public affairs. More than three decades of experience in senior management and executive positions at Chevron.

Environmental Affairs: As CEO of Chevron, oversees all aspects of Chevron's environmental policies and strategies. Oversaw development of Chevron's four environmental principles (include the environment in decision making; reduce environmental footprint; operate responsibly; steward sites), Operational Excellence Management System (a standardized approach for achieving outstanding environmental performance), and Environmental, Social and Health Impact Assessment (ESHIA) process for capital projects within Chevron's operational control.

Finance: CEO of Fortune 500 company. Three decades of financial responsibility and experience at Chevron. Served as CFO. Led Chevron's integration effort following its successful acquisition of Texaco Inc.

Global Business / International Affairs: CEO of Fortune 500 company with extensive international operations. Served as EVP of Strategy and Development, and President of Chevron International Exploration and Production Company. Member of JPMorgan International Council.

Government / Regulatory / Public Policy: More than three decades of experience in highly regulated industry. As CEO of Chevron, oversees all aspects of Chevron's government, regulatory, and public policy affairs.

KEY COMMITTEE MEMBERSHIPS:

Audit Committee

Charles W. Moorman IV, Chair

Alexander B. Cummings Jr.

Robert E. Denham

Alice P. Gast

Management Compensation Committee

Enrique Hernandez Jr., Chair

Robert E. Denham

John G. Stumpf

Ronald D. Sugar

Inge G. Thulin

Carl Ware*

Nominating and Governance Committee

Ronald D. Sugar, Chair

Linnet F. Deily

Jon M. Huntsman Jr.

John G. Stumpf

Inge G. Thulin

*Carl Ware will retire from the Board, effective as of the 2016 Annual Meeting.

CERTAIN RELATED TRANSACTIONS:

An immediate family member of Mr. Jay Johnson, Executive Vice President, Upstream, was employed by Chevron in 2015. Mr. Johnson's son, Samuel W. Johnson, received compensation consisting of approximately $71,000 in salary and annual bonus and approximately $133,000 in customary employee benefits, including expatriate benefits. These amounts reflect compensation that is consistent with the total compensation provided to other employees of the same level with similar responsibilities. Mr. Johnson's son left Chevron in mid-2015.

For Mr. Cummings, the Board considered that in 2015, Chevron purchased products and services from The Coca-Cola Company, in the ordinary course of business, amounting to less than 0.033 percent of The Coca-Cola Company's most recently reported annual consolidated gross revenues, and The Coca-Cola Company purchased products and services from Chevron, in the ordinary course of business, amounting to less than 0.18 percent of Chevron's most recently reported annual consolidated gross revenues. During 2015, Mr. Cummings served as the Executive Vice President and Chief Administrative Officer of The Coca-Cola Company. The Board concluded that these transactions would not impair Mr. Cummings' independence.

For Dr. Gast, the Board considered that in 2015, Chevron purchased services from Imperial College London amounting to less than 0.027 percent of Imperial College's most recently reported annual gross revenues. Dr. Gast is the President of Imperial College. The Board concluded that these transactions would not impair Dr. Gast's independence.

For Mr. Hernandez, the Board considered that in 2015, Chevron purchased services from Inter-Con Security Systems of Ghana Ltd., a subsidiary of Inter-Con Security Systems, Inc., in the ordinary course of business, amounting to less than one percent of Inter-Con's most recent annual consolidated gross revenues. Mr. Hernandez is Chairman, Chief Executive Officer and President and a significant stockholder 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 2015, Chevron purchased products and services from Norfolk Southern Corporation, in the ordinary course of business, amounting to less than 0.022 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 0.019 percent of Chevron's most recently reported annual consolidated gross revenues. During 2015, Mr. Moorman served as the Chairman and Chief Executive Officer, and, upon retirement, the Executive Chairman of Norfolk Southern. The Board concluded that these transactions would not impair Mr. Moorman's independence.

For Mr. Stumpf, the Board considered that in 2015, Chevron utilized Wells Fargo & Company for commercial banking, brokerage, and other services, in the ordinary course of business, amounting to less than 0.013 percent of Wells Fargo's most recently reported annual consolidated gross revenues, and Wells Fargo paid to Chevron interest in connection with time deposits and similar transactions in the ordinary course of business, amounting to less than 0.010 percent of Chevron's most recently reported annual consolidated gross revenues. Mr. Stumpf is the Chairman and Chief Executive Officer of Wells Fargo. The Board concluded that these transactions would not impair Mr. Stumpf's independence.

For Mr. Thulin, the Board considered that in 2015, Chevron purchased products and services from 3M Company, in the ordinary course of business, amounting to less than 0.002 percent of 3M Company’s most recently reported annual consolidated gross revenues, and 3M Company purchased products and services from Chevron, in the ordinary course of business, amounting to less than 0.001 percent of Chevron’s most recently reported annual consolidated gross revenues. Mr. Thulin is the Chairman, President, and Chief Executive Officer of 3M Company. The Board concluded that these transactions would not impair Mr. Thulin’s independence.

Item 2

Ratification of Auditors

While ratification of auditors is one of the most common proposal submitted to shareholders it should not be overlooked. After employing the most qualified directors and CEO, to manage and grow the company, having equally experienced auditors should be next in importance. Reliable auditors are critical to ensure shareholders receive accurate and timely reports of the Company's financial performance.

Exhibit 1 - Audit Fees

	Current Fiscal Year (2015)		Prior Fiscal Year (2014)	
Audit Fees	$	27,900,000	$	27,200,000
Audit-Related Fees	$	1,400,000	$	1,600,000
Non-Audit and Tax Fees	$	1,600,000	$	1,700,000
Total Fees	$	30,900,000	$	30,500,000

Exhibit 2 - Audit Fee Ratios

	Relevant Ratios	Note
Total Fee Increase/Decrease	1.3%	
Non-Audit Related Fees divided by Total Fees (Current FY):	5.2%	Should not be higher than 50%

Board Auditor Choice: **PricewaterhouseCoopers LLP**

PricewaterhouseCoopers LLP is a PCAOB (Public Company Accounting Oversight Board) registered auditor. Public records show that there have been a disciplinary action taken against this firm, however, we do not believe this to be unusual for such a large company with a big number of employees, in most of these cases.

Nevertheless, we do note the 2014 PCAOB order (PCAOB Release No. 105-2014-007) in which the Board censured Randall A. Stone, CPA ("Stone"), Randall A. Stone, age 51, of Austin, Texas, a certified public accountant licensed under the laws of Texas (license no. 047916), imposed a civil money penalty in the amount of $50,000; and barred Stone from being associated with a registered public accounting firm. At all relevant times, Stone was a partner in the Austin, Texas office of PwC was an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Stone retired from PwC effective June 30, 2014.

This PCAOB order resulted from of its findings concerning Stone's violations of PCAOB rules and auditing standards in connection with (1) the audit of the consolidated financial statements of ArthroCare Corporation ("ArthroCare" or "Company") for the fiscal year ended December 31, 2007, and (2) the consent to incorporate by reference the fiscal year 2007 audit report in a Form S-8 Registration Statement filed by ArthroCare with the United States Securities and Exchange Commission ("Commission" or "SEC") in June 2008.

While we are concerned about the above issues in the disciplinary record of this auditor, we do not believe that they have risen to the level that this auditor's integrity, professionalism or independence is in question. **We recommend a vote “FOR” this Proposal.**

Item 3

Advisory Vote on Executive Compensation

At Egan-Jones Proxy Services we review a number of factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the advisory vote on executive compensation. These include total CEO compensation, company performance, and any past issues with compensation.

The sum total of our quantitative look at compensation can be found in the compensation corporate governance grade we give this company. Generally and absent other negative factors, we suggest a score of "Good" or higher in compensation merits a positive "say-on-pay" vote. This Company has earned a grade of "Needs Attention" in compensation and thus, has failed to pass our quantitative tests.

Our qualitative review of this Company's compensation has identified one minor issue: the CEO's salary at $1,855,479 exceeds the $1 million dollar deducibility limit imposed by section 162m for salaries and non-qualified incentive payments. Failure to abide by IRS 162m rules results in loss of deductibility for the compensation in question and possibly increased and unnecessary tax payments. While this issue is not sufficient to trigger a negative vote alone, it does impact the Company's overall compensation score, we would recommend the board investigate and consider alternative means of compensation for the CEO and any other 162m covered NEOs who exceed this limit in the future.

This advisory vote is not binding. Although non-binding, the Compensation Committee will consider the outcome of the advisory vote when making future decisions regarding the executive compensation programs.

We note, however, after taking into account both the quantitative and qualitative measures outlined above, we believe that shareholders cannot support the current compensation policies put in place by the Company's directors. Furthermore, we believe that the Company's compensation policies and procedures are not effective or strongly aligned with the long-term interest of its shareholders. **Therefore, we recommend a vote "AGAINST" this Proposal.**

**See scoring details on the top of the report.*

Item 4

Approval of an Amendment to the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan

The shareholders are being asked to approve the amendment to the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan (NED Plan) to increase the number of shares of Chevron common stock authorized for issuance pursuant to awards under the NED Plan and to limit the number of shares of restricted stock or restricted stock units that can be awarded annually to an individual director.

Material Features of the NED Plan (as Amended)

Purpose

The purposes of the NED Plan are to attract and retain qualified non-employee Directors to serve on the Board and to align the interests of the non-employee Directors with those of the stockholders of the Corporation.

Administration

The NED Plan is administered by the Board, except as delegated to the Board Nominating and Governance Committee (the Committee) in the NED Plan or by resolution of the Board. The Committee will be composed entirely of two or more non-employee Directors who satisfy the requirements of Rule 16b-3 under the Exchange Act, to the extent necessary. Subject to the provisions of the NED Plan, the Committee has the power to adopt and amend rules for administering the NED Plan, construe and interpret the NED Plan, and to make all other determinations necessary for the administration of the NED Plan.

Term

The NED Plan will remain in effect until terminated by the Board.

Shares Authorized

Currently, subject to changes in the capitalization, 800,000 shares of the common stock are authorized for grant under the NED Plan, and if stockholders approve this proposal to amend the NED Plan to increase by 800,000 the number of shares authorized, 1,600,000 shares of the common stock will be authorized for grant under the NED Plan.

Annual Award Limits

Subject to changes in the capitalization, the maximum number of shares of the common stock with respect to which any award may be granted to any non-employee Director in any calendar year is 40,000, or the cash equivalent thereof to the extent such awards are payable in cash or property.

Eligible Participants

Non-employee Directors are eligible to participate in the NED Plan. Effective as of the Annual Meeting, there are 10 non-employee Directors.

Award Types

Stock options, restricted stock units or restricted stock may be granted under the NED Plan. The maximum term for options is 10 years and the exercise price of each option is the fair market value of a share of the common stock on the date of grant.

Deferrals

Non-employee Directors may elect to defer all or a portion of their cash compensation and/or restricted stock units, subject to the terms of the NED Plan.

Change-in-Control

Within 30 days following a "change-in-control," as defined in the NED Plan, the Committee will appoint an independent organization that will thereafter administer the NED Plan. Pursuant to Article VI of Chevron's By-Laws ("Change in Control Benefit Protection"), in the event of a change in control, Chevron will cause any surviving corporation (or any other successor to Chevron's business and assets) to assume any outstanding and unvested obligations under the NED Plan and make effective provision for such awards.

Changes in Capitalization

The number of shares covered by the NED Plan, the number of shares covered by outstanding awards and the exercise price, if

applicable, of each outstanding award will be proportionately adjusted for: any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares; the payment of a stock dividend (but only of common stock) or any other increase or decrease in the number of such shares effected without receipt of consideration by the Corporation; the declaration of a dividend payable in cash that has a material effect on the price of issued shares; or a recapitalization, spinoff or similar occurrence.

Amendment and Termination

The Board may amend or terminate the NED Plan at any time, provided, however, that unless the Board specifically determines otherwise, any revision or amendment that would cause the NED Plan to fail to comply with any requirement of applicable law or regulation if such amendment were not approved by the stockholders will not be effective unless and until approval of the stockholders is obtained. No amendment, suspension or termination of the NED Plan nor any amendment of any award outstanding under the NED Plan that would adversely affect the right of any non-employee Director in an award previously granted under the NED Plan will be effective without the written consent of the affected non-employee Director, unless such amendment is necessary or appropriate to comply with applicable law.

New Plan Benefits

It is not possible at this time to determine awards that will be made in the event the amendment to the NED Plan is approved by stockholders. However, it is anticipated that awards will be similar to those granted under the NED Plan in prior years. See the "Director Compensation" section of the Proxy Statement for a detailed discussion of the compensation program for non-employee Directors. As of March 30, 2016, the closing price of the common stock on the NYSE was $95.25 per share.

Recommendation:

We believe that approval of an amendment to the Chevron Corporation Non-Employee Directors' Equity Compensation and Deferral Plan will help the Company to attract, retain and motivate its directors whose efforts are essential to its success**. We recommend a vote "FOR" this Proposal.**

Item 5

Shareholder Proposal Regarding Report on Lobbying

The shareholders are being asked to act on a proposal that requests the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Chevron used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Chevron's membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4. Description of management’s and the Board’s decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Chevron is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Chevron’s website.

The lobbying disclosure initiative is a natural extension of ongoing shareholder efforts seeking greater corporate political spending transparency and accountability. Specifically, enhanced lobbying disclosure will enable shareholders to better evaluate whether a company’s lobbying expenditures and actions advance the company’s interests and do not present risks to company value. (AFSCME Employees Pension Plan, 2014).

Shareholders encourage transparency and accountability in the company’s use of corporate funds to influence legislation and regulation. Some companies do not disclose its memberships in, payments to, trade associations, or the portions of such amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to the Company’s long-term interests.

We believe that it is in the best interests of the Company and the stockholders to belong to industry associations and coalitions, where the Company benefits from the general business, technical, and industry standard-setting expertise these organizations provide. We furthermore believe that the proposal seeks unnecessary line-item disclosure of lobbying expenditures. We believe that the requested report is unnecessary and would require expenditures and the use of Company resources without providing any meaningful benefit to the shareholders. **As such, we recommend a vote “AGAINST” this Proposal.**

Item 6

Shareholder Proposal Regarding Targets for Reducing Greenhouse Gas Emissions

The shareholders are being asked to act on a proposal that requests the Board of Directors adopt long-term, quantitative, company-wide targets for reducing greenhouse gas emissions in products and operations that take into consideration the global commitment (as embodied in the Cancun Agreement) to limit warming to 2°C and issue a report by November 30, 2016, at reasonable cost and omitting proprietary information, on its plans to achieve these targets.

Greenhouse gases are the gases in the atmosphere that absorb and trap infrared radiation, thereby resulting to gradual rise of temperature in the atmosphere. Human activities, such as deforestation, fossil fuel extraction, intensive livestock farming, have contributed to greenhouse gas emission.

The United States and 114 other nations have signed the Copenhagen Accord on climate change "to reduce global emissions so as to hold the increase in global temperature below 2C" and to achieve "the peaking of global and national emissions as soon as possible."

According to a 2012 report entitled Sustainability Practices authored by Dr. Tonello and Thomas Singer of the Conference Board, slightly over half of S&P 500 companies have initiatives aimed at reducing emissions. Furthermore, the Carbon Disclosure Project S&P 500 2011 report shows that 64% (214) of S&P500 respondents to the Carbon Disclosure Project (CDP)have established GHG emissions reduction targets.

Reduction of greenhouse gas emissions is a global challenge. Companies should conduct a careful evaluation of the environmental impacts involved in financing greenhouse gas intensive investments. There are renewable energy options available generated from wind, sunlight, landfill gas, agricultural waste and water.

The Companies, in general, should create a balance between their commitments to meet the needs of their customers and serve the interests of their investors while complying with industry-specific regulations. Also, companies should be equally committed to implement energy-efficient technologies and products to maintain their industry status.

Although Chevron shares the concerns of governments and the public about climate change risks and recognizes that the use of fossil fuels to meet the world’s energy needs is a contributor to rising greenhouse gases (GHGs) in the earth’s atmosphere, the Company believes this proposal is based upon the flawed premise that a global agreement to limit warming to 2 degrees Celsius requires each individual fossil fuel producer to curtail development of resources proportionately. A decrease in overall fossil fuel emissions, however, is not inconsistent with continued or increased fossil fuel production by the most efficient producers. Chevron is focused on reducing emissions from its operations and exploring innovative low-carbon energy technologies. This includes improving energy efficiency, operating one of the world's largest geothermal energy portfolios, investments in two of the world's largest CO2 storage projects, advanced biofuels research, and investments to reduce GHG emissions that come from flaring and venting. Chevron already reports on its GHG emissions performance and regularly discloses its progress in managing GHG emissions on www.chevron.com, including in the Corporate Responsibility Report and the Greenhouse Gas Management Activities report. The quality of the disclosure of the emissions performance has been recognized through an assessment by the CDP (formerly, the Carbon Disclosure Project) in which Chevron scored the highest amongst its peer integrated oil and gas companies for disclosing information about climate change practices and GHG emissions.

Instead of adopting GHG emission reduction targets as a specific objective, the Company should work for the full range of benefits realized from lower energy usage. Setting absolute GHG emission reduction goals in the midst of product demand fluctuations, unpredictable macroeconomic factors and evolving regulations would simply be misguided. **Accordingly, we recommend a vote "AGAINST" this Proposal.**

Item 7

Shareholder Proposal Regarding Report on Climate Change Impact Assessment

The shareholders are being asked to act on a proposal that requests that by the Annual Meeting of Stockholders in 2017, Chevron Corporation (Chevron), with board oversight publishes an annual assessment of long-term portfolio impacts to 2035 of possible public climate change policies, at reasonable cost and omitting proprietary information. The report should explain how current capital planning processes and business strategies incorporate analyses of the short and long-term financial risks of a lower carbon economy. Specifically, the report should outline impacts of fluctuating demand and price scenarios on the company's existing reserves and resource portfolio—including the International Energy Agency's "450 Scenario," which sets out an energy pathway consistent with the internationally recognized goal of limiting the global increase in temperature to 2 degrees Celsius.

Actions to address climate change will meaningfully affect the demand for, and costs associated with, finding, extracting, refining and selling carbon-based fuels and therefore shareholder value.

Recognizing the economic and political risks associated with climate change, 193 governments agreed that they should take action to limit the global temperature increase to 2 degrees Celsius (Cancun Agreements). In 2014, the United States and China agreed to policy and regulatory actions to reduce greenhouse gas emissions and expanded those actions in 2015. Pursuant to the Durban Platform, over 175 parties submitted plans to reduce greenhouse gas emissions in advance of the 21st Conference of the Parties in Paris in 2015.

Based on these and likely future developments, investors require better transparency on the resilience of Chevron's portfolios under different possible scenarios.

Chevron recognized in its Securities and Exchange Commission filings and sustainability reporting that policies and regulations that place a price on greenhouse gas emissions could have a significant impact on its business. The likelihood that policy makers will continue to introduce meaningful policies addressing climate change makes it vital that Chevron provide investors with more detailed analyses of the potential risks to its business, under a range of scenarios. While Chevron provides some indication that "consideration of greenhouse gas issues, climate change related risks and carbon pricing risks are integrated into its strategy, business planning, risk management tools and processes," it has not presented sufficiently detailed analyses of how it expects its portfolio to perform under various carbon-constrained scenarios. This contrasts with Chevron's competitors, including:

· Ten oil and gas companies announcing their shared ambition to limit the global average temperature rise to 2 degrees Celsius (Oil and Gas Climate Initiative);

· Shell, BP, and Statoil endorsing the "Strategic Resilience for 2035 and Beyond" shareholder resolutions that received almost unanimous investor support in 2015;

· ConocoPhillips testing its capital planning decisions against four carbon-constrained scenarios, and;

· BHP Billiton, which has oil and gas assets and competes with Chevron in some markets, releasing its "Climate Change: Portfolio Analysis" evaluating the impacts of multiple 2 degree pathways on its assets.

Publication of the report requested in this resolution demonstrates that Chevron is strategically planning to remain competitive in a carbon-constrained future and generate continued value for shareholders.

We believe that transparency is important for evaluating risks and ensuring that investors and stakeholders have adequate informatior necessary to make informed decisions. **Accordingly, we recommend a vote "FOR" this Proposal.**

Item 8

Shareholder Proposal Regarding Report on Reserve Replacements

The shareholders are being asked to act on a proposal that requests that, by February 2017 and annually thereafter in a publication such as the annual or CSR report, Chevron quantify and report to shareholders its reserve replacements in BTUs, by resource category, to assist the Company in responding appropriately to climate-change induced market changes. Such reporting shall be in addition to reserve reporting required by the Securities and Exchange Commission, and should encompass all energy resources produced by the company.

The units in which reserves are currently reported are appropriate for the resource, according to established SEC rules. Under SEC rules, the Company reports reserves by region, not by “resource category.”

Information concerning Chevron’s material investments in nonpetroleum-based energy assets is generally presented in terms of installed capacity in units appropriate for the particular type of energy produced when reported in the Annual Report, the Supplement to the Annual Report and the Corporate Responsibility Report. For example, the 2014 Supplement to the Annual Report notes the operating capacity of the geothermal assets in the Philippines and Indonesia in terms of megawatts.

Internal analysis is conducted in units appropriate to the task at hand; it is not clear how denoting reserves and additions of reserves in BTU terms will assist in evaluating climate-related changes to the world’s energy supply and demand. Furthermore, given the cost of such additional and nonstandard reporting, it certainly would not create stockholder value. Stockholders and outside analysts are free to convert reported figures to whichever units meet their specific needs. However, for Chevron to report reserves in units other than the industry standard and as provided for in SEC rules is not in the best interest of stockholders and would create unnecessary confusion.

We believe that Chevron’s reserve reporting is in accordance with U.S. Securities and Exchange Commission (SEC) rules, and to report in nonstandard units that are other than as prescribed risks fostering confusion among potential users of this data. **We recommend a vote “AGAINST” this Proposal.**

Item 9

Shareholder Proposal Regarding Dividend Policy

The shareholders are being asked to act on a proposal that requests to approve, on an advisory basis, Arjuna Capital/Baldwin Brothers’ proposal that Chevron commit to increasing the total amount authorized for capital distributions (summing dividends and share buybacks) to shareholders as a prudent use of investor capital in light of the climate change related risks of stranded carbon assets.

The proposed dividend policy is unnecessary because funding and growing a competitive dividend is already the highest-priority use of cash for the Company, as demonstrated by the consistency of and growth in dividends paid by Chevron to its stockholders historically. The proposed dividend policy is unwise because it is based on a flawed, if not dangerous, premise: that stockholders would be best served if Chevron stopped investing in its business. At Chevron’s last Annual Meeting, 97 percent of votes cast opposed a similar proposal.

Chevron makes future investment decisions to develop and produce its resources based on an analysis of projected future commodity prices and market and regulatory conditions, minimizing the risk of such assets becoming “stranded.” The Company is managing the capital program to enable it to complete and ramp up projects under construction; fund high-return, short-cycle investments; preserve options for viable long-cycle projects; and ensure safe, reliable operations—the 2016 capital program reflects this flexibility. However, further curtailing investment in the Company’s business, as the proposed dividend policy suggests, would be detrimental to the Company, its stockholders and consumers of energy around the world. In addition, committing to an increase in capital distributions is imprudent in light of the volatility in commodity prices.

Chevron’s long-standing and consistent financial priorities are to:

- maintain and sustainably grow the dividend;
- fund the capital program for future earnings;
- maintain financial strength and flexibility; and
- return surplus cash to stockholders.

Further, Chevron has grown annual dividend payments for 28 consecutive years, and the compound annual growth rate of the dividend exceeded 9.4 percent between 2005 and 2015.

Although Chevron shares the concerns of governments and the public about climate change risks and recognizes that the use of fossil fuels to meet the world's energy needs is a contributor to

rising greenhouse gases (GHGs) in the earth's atmosphere, the Company believes this proposal is based upon the flawed premise that a global agreement to limit warming to 2 degrees Celsius requires each individual fossil fuel producer to curtail development of resources proportionately. A decrease in overall fossil fuel emissions, however, is not inconsistent with continued or increased fossil fuel production by the most efficient producers. The Board believes that Chevron is a capable and efficient producer, well positioned to compete in any supply-and-demand scenario.

Chevron believes that taking prudent, practical and cost-effective actions to address climate change risks is the right thing to do. Mitigation of GHG emissions, adaptation to climate change, and continuation of scientific and technological research should all be considered. You can read more about Chevron's climate risk management and about energy demand under a restrictive GHG emissions scenario at www.chevron.com/corporate-responsibility/climate-change. The Company will continue to update its views on the website and in regulatory filings as appropriate.

The world's energy demand is growing, driven by the newly emerging middle class in developing economies. Consequently, the International Energy Agency (IEA) expects energy demand to grow 32 percent by 2040. Driven in part by the long-lived nature of the world's transportation and electricity infrastructure, the IEA's two primary world energy demand scenarios forecast fossil fuels' share of the world energy mix to range from 75 to 79 percent in 2040. Further, the combined market share of oil and natural gas in 2040 remains relatively constant in these scenarios, at approximately 50 percent (IEA, World Energy Outlook 2015).

Chevron's production and resources will be needed to meet projected global energy demand, even in a carbon-constrained future. To help meet growing demand and to compensate for natural production decline over time, Chevron continues to prudently invest in its business and its people, partnerships, technology and resources.

Given the significant, long-term contribution of oil and gas to meet the world's total energy demand under a broad range of climate policy scenarios and the Company's existing top financial priority to maintain and grow the dividend, the proposed dividend policy is unwise and unwarranted. **We recommend a vote "AGAINST" this Proposal.**

Item 10

Shareholder Proposal Regarding Report on Shale Energy Operations

The shareholders are being asked to act on a proposal that requests the Board of Directors to report to shareholders via quantitative indicators on all shale plays where it is operating, by September 30, 2016, and annually thereafter, the results of company policies and practices, above and beyond regulatory requirements, to minimize the adverse water resource and community impacts from the company's hydraulic fracturing operations associated with shale formations. Such reports should be prepared at reasonable cost, omitting confidential information.

Natural gas development has unfolded rapidly. Through hydraulic fracturing, new natural source of energy supply can develop. Hydraulic fracturing operations involve pumping water, sand and chemicals underground to release gas from rock formations. Because natural gas is the cleanest burning fossil fuel, very few pollutants are emitted to the atmosphere. Thus, natural gas development is often a preferred energy option to coal or oil.

It is necessary and a great challenge for companies to evaluate business risks and rewards. The Companies should manage to protect investor interests and concerns while enhancing their corporate image in the community. Long-term shareholder value is at risk as leaks, spills, industrial accidents, poor air quality, and community impacts from hydraulic fracturing operations raise regulatory, reputational, and legal issues. Operations of companies should center on better environmental management practices that maximize business rewards resulting to lower costs, increase profits and enhance community acceptance. In addition, governments have existing agencies that issue regulations on explorations to ensure the protection of the environment and the community.

We believe that transparency is important for evaluating risks and ensuring that investors and stakeholders have adequate informatior necessary to make informed decisions. **Accordingly, we recommend a vote "FOR" this Proposal.**

Item 11

Shareholder Proposal Regarding Independent Director with Environmental Expertise

The shareholders are being asked to act on a proposal that requests that, as elected board directors' terms of office expire, at least one candidate is recommended who:

- has a high level of expertise and experience in environmental matters relevant to hydrocarbon exploration and production and is widely recognized in the business and environmental communities as an authority in such field, as reasonably determined by the company's board, and
- will qualify, subject to exceptions in extraordinary circumstances explicitly specified by the board, as an independent director.

For these purposes, a director shall not be considered "independent" if, during the last three years, he or she –

- was, or is affiliated with a company that was an advisor or consultant to the Company;
- was employed by or had a personal service contract(s) with the Company or its senior management;
- was affiliated with a company or non-profit entity that received the greater of $2 million or 2% of its gross annual revenues from the Company;
- had a business relationship with the Company worth at least $100,000 annually;
- has been employed by a public company at which an executive officer of the Company serves as a director;
- had a relationship of the sorts described herein with any affiliate of the Company; and
- was a spouse, parent, child, sibling or in-law of any person described above.

The Proxy Statement and Chevron's Corporate Governance Guidelines (available at www.chevron.com/investors/corporate-governance) discuss Chevron's Board membership criteria. These criteria include environmental expertise or experience in the list of skills that are desirable when identifying candidates for the Board. Your Board currently includes a number of independent Directors with significant environmental and operational experience relevant to Chevron's business, including Directors Charles W. Moorman IV, Jon M. Huntsman Jr., Ronald D. Sugar, Alice P. Gast, Inge G. Thulin, Linnet F. Deily and Robert E. Denham. You can learn more about these Directors' experience by reviewing their biographies in this Proxy Statement or at www.chevron.com/about/leadership.

In addition to individual experience, your Board has access to extensive internal and external expertise on environmental matters. Your Board frequently reviews environmental matters and is briefed by professionals whose primary focus is on environmental protection and stewardship in connection with Chevron's operations and products. Members of the Board regularly visit Chevron operations in the United States, Europe and Asia, where, as part of these visits, they discuss environmental matters relevant to Chevron's operations. Also, in 2015, as is the case each year, the Board received a number of reports and presentations on environmental matters. Environmental professionals within Chevron have expertise at the facility, strategic, business unit and operating company levels, and Chevron routinely accesses external resources to stay apprised of best practices and technology advances.

Chevron is committed to responsible environmental stewardship, which includes the prevention of environmental incidents and impacts. Across its global operations, the actions of Chevron's workforce are guided by The Chevron Way and the Company's Operational Excellence Management System expectations. Those expectations require the global execution of a number of corporate processes and standards, including an environmental stewardship process and a number of environmental performance standards.

The Board does not believe that setting aside a Board seat for such a special-purpose Director is a good corporate governance practice. The Board makes decisions as a group, with collective responsibility. All of the Directors have fiduciary duties to Chevron and its stockholders that oblige them to make decisions on an informed and deliberative basis.

For the reasons stated above, we do not believe that it would be in the best interests of stockholders or be appropriate to select a Director exclusively on the basis of a single criterion or area of expertise. **We recommend a vote "AGAINST" this Proposal.**

Item 12

Shareholder Proposal Regarding Special Meetings

The shareholders are being asked to act on a proposal that requests the Board of Chevron Corporation ("Chevron" or "Company") to take the steps necessary to amend Company bylaws and appropriate governing documents to give holders of 10% of outstanding common stock the power to call a special shareowners meeting. To the fullest extent permitted by law, such bylaw text in regard to calling a special meeting shall not contain exceptions or excluding conditions that apply only to shareowners, but not to management or the Board.

As a result of targeted activism in the last few years, more than half of the S&P 500 companies now allow shareholders to call special meetings (Davis Polk & Wardwell LLP, 2011). Annual meetings are important matters for the investors. Annual meetings usually take place sometime in the spring, during "annual meeting season", a few months after the December 31 fiscal year-end. Investors can also schedule a special shareholder meeting, subject to some diverse and stimulating rules, and a bit of strategy.

Some Companies view that such right is burdensome in terms of financial expense, time and management resources. Also, such right permits a small percentage of shareholders to call a meeting that may serve their intended purposes, rather than those of the Company and the majority of shareholders.

In the contrary, many investors believe that it is imperative that shareholders are given a right to timely call special meetings. Special meetings could impose substantial administrative and financial burdens on the Company and could significantly disrupt the conduct of the Company’s business. Enabling the holders of only ten percent of the Company’s outstanding stock to call special meetings could subject the Company and the Board to disruption from stockholder activists or special interest groups with an agenda not in the best interests of the Company or long-term stockholders.

We do not believe it is appropriate to enable holders of below 25% of the common stock to have an unlimited ability to call special meetings for any purpose at any time. **As such, we recommend a vote “AGAINST” this Proposal.**

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