CHEVRON CORP
Form PRE 14A
April 01, 2008

Use these links to rapidly review the document
TABLE OF CONTENTS

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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

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

o Definitive Proxy Statement

o Definitive Additional Materials

o 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):

ý No fee required.

o 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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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:

Notice of the 2008 Annual Meeting and the 2008 Proxy Statement

Notice of the 2008 Annual Meeting of Stockholders

Meeting Date:	May 28, 2008
Meeting Time:	8:00 a.m., PDT
Location:	Chevron Park Auditorium 6001 Bollinger Canyon Road San Ramon, California 94583-2324
Record Date:	March 31, 2008

Agenda

Elect 15 Directors;

Ratify the appointment of the independent registered public accounting firm;

Approve the amendment of the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Chevron common stock;

Take action on the stockholder proposals; 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 either an admission ticket or other proof of ownership of Chevron common stock. Please refer to pages 5 and 6 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 March 31, 2008, or their legal proxy holders are entitled to vote at the Annual Meeting. Please refer to page 2 of this Proxy Statement for information about our confidential voting procedures.

On or about April 11, 2008, we will mail to our stockholders either (1) a copy of our 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 on the Internet.

By Order of the Board of Directors,

Lydia I. Beebe
Corporate Secretary and
Chief Governance Officer

TABLE OF CONTENTS

Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, California 94583-2324

April 11, 2008

2008 Proxy Statement

General Information

Your Board of Directors is providing you these proxy materials in connection with the solicitation of proxies to be voted at our 2008 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."

APPOINTMENT OF PROXY HOLDERS

Your Board asks you to appoint David J. O'Reilly, Charles A. James and Lydia I. Beebe as your proxy holders to vote your shares at the Annual Meeting. **You make this appointment by voting the enclosed proxy card using one of the voting methods described below.**

If appointed by you, the proxy holders will vote your shares as you direct on the matters described in this Proxy Statement. In the absence of your direction, they will vote your shares as recommended by your Board.

Unless you otherwise indicate on the proxy card or through the telephone or Internet voting procedures, you also authorize your proxy holders to vote your shares on any matters that are not known by your Board at the time this Proxy Statement was printed and that, under Chevron's By-Laws, may be properly presented for action at the Annual Meeting.

VOTING

Stockholders owning Chevron common stock at the close of business on March 31, 2008, the Record Date, or their legal proxy holders are entitled to vote at the Annual Meeting.

Your Board strongly encourages you to exercise your right to 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.

Stockholders of record (you own shares in your own name) can vote by telephone, on the Internet or by mail as described below. Street name stockholders (you own shares through a bank, broker or other holder of record) can vote by the method explained on the form of proxy card or the information you receive from the bank, broker or other record holder. We encourage you to vote on the Internet. It is convenient, and it saves us significant postage and processing costs. 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.

The telephone and Internet voting procedures are designed to verify that you are a stockholder of record by use of a control number and to allow you to confirm that your voting instructions have been properly recorded. If you vote by telephone or on the Internet, you do not need to return your

General Information *(Continued)*

proxy card. Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m., EDT, on May 27, 2008.

Voting by Telephone. You may vote by proxy by using the toll-free number listed on the proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Voting on the Internet. You may vote by proxy on the Internet. The Web site for Internet voting is *www.proxyvote.com.* As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you can request electronic delivery of future proxy materials.

Voting by Mail. You may vote by proxy by signing, dating and returning your proxy card in the pre-addressed, postage-paid envelope provided.

Voting at the Annual Meeting. The method by which you vote your proxy card will not limit your right to vote at the Annual Meeting if you decide to attend in person. 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. If you are a street name stockholder, you must obtain a proxy, executed in your favor, from the bank, broker or other holder of record to be able to vote in person at the Annual Meeting.

Revoking Your Voting Instructions to Your Proxy Holders. If you are a stockholder of record and you vote by proxy using any method, you may later revoke your proxy instructions by:

- sending a written statement to that effect to Chevron Corporation, Attn: Corporate Secretary and Chief Governance Officer, 6001 Bollinger Canyon Road, San Ramon, California, 94583-2324;
- submitting a proxy card with a later date and signed as your name appears on the stock account;
- voting at a later time by telephone or the Internet; or
- voting in person at the Annual Meeting.

If you are a street name stockholder and you vote by proxy, you may later revoke your proxy instructions by informing the bank, broker or other holder of record in accordance with that entity's procedures.

Confidential Voting. Chevron has a confidential voting policy to protect the privacy of our stockholders' votes. Under this policy, ballots, proxy forms 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 forms and voting instructions. Anyone who processes or inspects the ballots, proxy forms 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 forms and voting instructions only in the event of a proxy contest or as otherwise required by law.

General Information *(Continued)*

VOTE REQUIRED AND METHOD OF COUNTING

At the close of business on the Record Date, there were [XXXXXXXX] shares of Chevron common stock outstanding and entitled to vote at the Annual Meeting. Each outstanding share is entitled to one vote.

A quorum, which is a majority of the outstanding shares 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.

If you are a street name stockholder and don't vote your shares, your bank, broker or other holder of record can vote your shares at its discretion on any of the matters scheduled to come before the meeting, other than Items 3 through 9 on the proxy form. If you don't give your bank, broker or other holder of record instructions on how to vote your shares on the stockholder proposals, your shares will not be voted on these matters and will be considered "broker non-votes."

If you have shares in an employee benefits plan and do not vote those shares, your trustee will 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 outstanding share of Chevron common stock is entitled to one vote for each of the Director nominees. Each Director nominee who receives a majority of the votes cast (number of shares voted "for" a Director nominee must exceed the number of votes cast "against" that Director nominee, excluding abstentions) will be elected a Director, provided that if the number of Director nominees exceeds the number of Directors to be elected (a situation we do not anticipate), the Directors shall be elected by a plurality of the shares present in person or by proxy at any such meeting 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 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 Nominating and Governance Committee, which must 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 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 Independent Registered Public Accounting Firm is approved if the number of shares voted in favor exceeds the number of shares voted against.

Item 3 Approval of Amendment to the Company's Restated Certificate of Incorporation to Increase the Number of Authorized Shares of Chevron Common Stock is approved if a majority of the shares outstanding are voted in favor.

Items 4 through 9 Stockholder Proposals are each approved if the number of shares voted in favor exceeds the number of shares voted against.

General Information *(Continued)*

Any shares not voted on any item (whether by abstention, broker non-vote or otherwise) will have no impact on that particular item.

METHOD AND COST OF SOLICITING AND TABULATING 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 $25,000 plus 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 approximately $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 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. This procedure will reduce our printing costs and postage fees.

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

If you or another stockholder of record with whom you share an address wish to receive a separate Annual Report or Proxy Statement, we will promptly deliver it to you if you request it by writing to Chevron Corporation, Attn: Corporate Secretary and Chief Governance Officer, 6001 Bollinger Canyon Road, San Ramon, California, 94583-2324. If you or another stockholder of record with whom you share an address wish to receive a separate Annual Report or Proxy Statement in the future, you may telephone toll-free 1-800-542-1061 or write to Broadridge Financial Solutions, Inc., Attn: Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

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

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 your home or business. If you choose to receive future proxy materials by email, you will receive an email with instructions containing a link to the Web site where those materials are available as well as a link to the proxy voting Web site.

If you are a stockholder of record, you may enroll in the electronic delivery service by going directly to *www.icsdelivery.com/cvx*. 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.

General Information *(Continued)*

If you are a street name stockholder, you may also have the opportunity to receive copies of the Annual Report and Proxy Statement electronically. 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.

This year, we are also furnishing proxy materials over the Internet to a number of our stockholders under a new Securities and Exchange Commission rule. Under this new rule, we are mailing to many of our stockholders a notice instead of a paper copy of this Proxy Statement and our 2007 Annual Report. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each of those stockholders can receive a paper copy of our proxy materials, including this Proxy Statement, our 2007 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 new process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on May 28, 2008

The Notice of Annual Meeting, Proxy Statement and 2007 Annual Report are available at *www.proxyvote.com*.

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.

STOCKHOLDER OF RECORD ACCOUNT MAINTENANCE

Our transfer agent is 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 be handled by calling Chevron Stockholder Services' toll-free number, 1-800-368-8357, or by contacting BNY Mellon Shareowner Services through its Web site at *www.melloninvestor.com.*

In addition, you can access your account through BNY Mellon Shareowner Services' Web site. 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, visit *www.melloninvestor.com/isd* and enter 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.

OTHER MATTERS

Your Board does not know of any other matter that will be presented for consideration at the Annual Meeting. If any other matter does properly come before the Annual Meeting, your proxy holders will vote on it as they think best unless you direct otherwise in your proxy card instruction.

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. An admission ticket, which is required for entry into the Annual Meeting, is

General Information *(Concluded)*

attached to your proxy card if you are a stockholder of record. If you plan to attend the Annual Meeting, please vote your proxy but keep and bring your admission ticket to the Annual Meeting.

If you are a street name stockholder and you plan to attend the Annual Meeting, you must present proof of your ownership of Chevron common stock, such as a recent bank or brokerage account statement, and a form of photo identification to receive an admission ticket and be admitted to the Annual Meeting. You can also 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 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.

No cameras; recording equipment; electronic devices, including cell phones; large bags; briefcases; or packages will be permitted in the Annual Meeting.

Election of Directors

(Item 1 on the proxy form)

Your Board is nominating 15 individuals for election as Directors. A report by the Board Nominating and Governance Committee in the "Board Operations" section of this Proxy Statement and Chevron's Corporate Governance Guidelines (available at *www.chevron.com* and available in print upon request) describe the processes used to determine the qualifications and independence of each nominee and the effectiveness of the Board and its committees.

The persons named as proxy holders on the proxy card will vote your shares **FOR** the 15 nominees unless you vote against or abstain in the spaces provided on the proxy card or as prompted during the telephone or Internet voting instructions. 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.

NOMINEES FOR DIRECTORS

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

SAMUEL H. ARMACOST
Lead Director;
Director since 1982

Mr. Armacost, age 69, has been Chairman of SRI International, formerly Stanford Research Institute, an independent research, technology development and commercialization organization, since 1998.

Prior Positions Held: Mr. Armacost was a Managing Director of Weiss, Peck & Greer L.L.C. from 1990 until 1998. He was Managing Director of Merrill Lynch Capital Markets from 1987 until 1990. He was President, Director and Chief Executive Officer of BankAmerica Corporation from 1981 until 1986.

Public Company Directorships: Callaway Golf Company; Del Monte Foods Company; Exponent, Inc.; Franklin Resources Inc.

Other Directorships and Memberships: Bay Area Council; Bay Area Scientific Infrastructure Consortium.

Election of Directors *(Continued)*

LINNET F. DEILY
Director since 2006

Ms. Deily, age 62, was a deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization from 2001 to June 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, President and Chief Executive Officer from 1990 until 1996 and President and Chief Operating Officer from 1988 until 1990 of the First Interstate Bank of Texas.

Public Company Directorships: Alcatel-Lucent; Honeywell International Inc.

Other Directorships and Memberships: Greater Houston Partnership; Fulbright Board; Museum of Fine Arts, Houston; Houston Zoo; St. Luke's Hospital, Houston; Houston Endowment.

ROBERT E. DENHAM
Director since 2004

Mr. Denham, age 62, has been a Partner of Munger, Tolles & Olson LLP, a law firm, since 1998 and from 1973 to 1991.

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

Public Company Directorships: Alcatel-Lucent; Wesco Financial Corporation; Fomento Económico Mexicano, S.A. de C.V.

Other Directorships and Memberships: Financial Accounting Foundation; MacArthur Foundation.

Election of Directors *(Continued)*

ROBERT J. EATON
Director since 2000

Mr. Eaton, age 68, is the retired Chairman of the Board of Management of DaimlerChrysler AG, a manufacturer of automobiles.

Prior Positions Held: Mr. Eaton was the Chairman of the Board of Management of DaimlerChrysler AG from 1998 until 2000. He was Chairman of the Board and Chief Executive Officer of Chrysler Corporation from 1993 until 1998. He was Vice-Chairman and Chief Operating Officer of Chrysler Corporation from 1992 until 1993.

Other Memberships: Fellow, Society of Automotive Engineers; Fellow, Engineering Society of Detroit; National Academy of Engineering.

SAM GINN
Director since 1989

Mr. Ginn, age 71, is a private investor and the retired Chairman of Vodafone, a worldwide wireless telecommunications company.

Prior Positions Held: Mr. Ginn was Chairman of Vodafone AirTouch, Plc., from 1999 until 2000 and Chairman of the Board and Chief Executive Officer of AirTouch Communications, Inc., from 1993 until 1999. He was Chairman of the Board, President and Chief Executive Officer of Pacific Telesis Group from 1988 until 1994.

Public Company Directorships: ICO Global Communications (Holdings) Limited.

Other Directorships and Memberships: Auburn University Board of Trustees; Franklin Funds; Hoover Institute Board of Overseers; TVG Capital Partners; Yosemite Fund.

DR. FRANKLYN G. JENIFER
Director since 1993

Dr. Jenifer, age 69, is President Emeritus of the University of Texas at Dallas, a doctoral-level institution.

Prior Positions Held: Dr. Jenifer was President of the University of Texas at Dallas from 1994 until 2005. He was President of Howard University from 1990 to 1994. Prior to that, he was Chancellor of the Massachusetts Board of Regents of Higher Education from 1986 until 1990.

Other Directorships and Memberships: Chairman, Mountainside Hospital, Merit Health Systems, Inc.

Election of Directors *(Continued)*

GENERAL JAMES L. JONES
Director Nominee

General Jones (retired, United States Marine Corps), age 64, has been President and Chief Executive Officer of the Institute for 21st Century Energy, a policy, economic and educational center in affiliation with the U.S. Chamber of Commerce, since March 2007 and Special Envoy for Middle East Security since November 2007.

Prior Positions Held: General Jones served as the Supreme Allied Commander, Europe, and Commander of the United States European Command, NATO, from January 2003 to February 2007. Previously, General Jones served as the 32nd Commandant of the United States Marine Corps from July 1999 to January 2003.

Public Company Directorships: The Boeing Company; Invacare Corporation.

Other Directorships and Memberships: Director, Cross Match Technologies; Chairman, Atlantic Council of the United States; Center for Strategic and International Studies Board of Trustees; Chairman, Armed Forces Benefits Association; Chairman, Marine Corps Heritage Foundation.

SENATOR SAM NUNN
Director since 1997

Senator Nunn, age 69, has been Co-Chairman and Chief Executive Officer of the Nuclear Threat Initiative, a charitable organization, since January 2001.

Prior Positions Held: Senator Nunn was a Partner of King & Spalding, a law firm, from 1997 until 2003. He served as U.S. Senator from Georgia from 1972 until 1996. During his tenure in the U.S. Senate, he served as Chairman of the Senate Armed Services Committee and the Permanent Subcommittee on Investigations. He also served on the Intelligence and Small Business Committees.

Public Company Directorships: The Coca-Cola Company; Dell Inc.; General Electric Company.

Other Directorships and Memberships: Distinguished Professor, Sam Nunn School of International Affairs at Georgia Institute of Technology; Chairman, Center for Strategic and International Studies.

Election of Directors *(Continued)*

DAVID J. O'REILLY
Director since 1998

Mr. O'Reilly, age 61, has been Chairman of the Board and Chief Executive Officer of Chevron since January 2000.

Prior Positions Held: Mr. O'Reilly was Vice-Chairman of the Board of Chevron from 1998 until 1999. He was a Vice-President of Chevron from 1991 until 1998. He was President of Chevron Products Company from 1994 until 1998. He was a Senior Vice-President and Chief Operating Officer of Chevron Chemical Company from 1989 until 1991.

Other Directorships and Memberships: American Petroleum Institute; Eisenhower Fellowships Board of Trustees; Peterson Institute for International Economics; the Business Council; the Business Roundtable; JPMorgan International Council; World Economic Forum's International Business Council; the National Petroleum Council; the American Society of Corporate Executives; the King Fahd University of Petroleum and Minerals International Advisory Board.

DR. DONALD B. RICE
Director since 2005

Dr. Rice, age 68, served from 2002 through 2007 as Chairman of the Board and, since 1996, as President and Chief Executive Officer of Agensys, Inc., a private biotechnology company (since December 2007, an operating subsidiary of Astellas Pharma, Inc.).

Prior Positions Held: Dr. Rice was President and Chief Operating Officer of Teledyne, Inc., from 1993 until 1996. He was Secretary of the Air Force from 1989 until 1993. He was President and Chief Executive Officer of the RAND Corporation from 1972 until 1989.

Public Company Directorships: Vulcan Materials Co.; Wells Fargo & Company.

Other Directorships and Memberships: RAND Corporation Board of Trustees; Chairman, Pardee RAND Graduate School Board of Governors.

Election of Directors *(Continued)*

PETER J. ROBERTSON
Director since 2002

Mr. Robertson, age 61, has been Vice-Chairman of the Board of Chevron since 2002.

Prior Positions Held: Mr. Robertson was Vice-President of Chevron from 1994 until 2001. He was President of Chevron Overseas Petroleum Inc. from 2000 until 2001. He was the Vice-President responsible for Chevron's North American exploration and production operations from 1997 until 2000. From 1994 until 1997, he was the Vice-President responsible for strategic planning.

Other Directorships and Memberships: Chairman, U.S. Energy Association; Director, U.S. Saudi Arabian Business Council; U.S.-Russia Business Council; American Petroleum Institute; International House at Berkeley; United Way of the San Francisco Bay Area; Vice-Chairman, Leon H. Sullivan Foundation; Director of Global Business Coalition Against AIDS; Resources for the Future; Bay Area Council; World Affairs Council.

KEVIN W. SHARER
Director since 2007

Mr. Sharer, age 60, has been, since January 2001, Chairman of the Board and, since May 2000, Chief Executive Officer and President of Amgen Inc., a biotechnology company.

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

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

Other Directorships and Memberships: University of Southern California Board of Trustees; Los Angeles County Museum of Natural History.

CHARLES R. SHOEMATE
Director since 1998

Mr. Shoemate, age 68, is the retired Chairman, President and Chief Executive Officer of Bestfoods, a manufacturer of food products.

Prior Positions Held: Mr. Shoemate was Chairman of the Board and Chief Executive Officer of Bestfoods, formerly CPC International, from 1990 until 2000. He was elected President and a member of the Board of Directors of Bestfoods in 1988.

Election of Directors *(Concluded)*

DR. RONALD D. SUGAR
Director since 2005

Dr. Sugar, age 59, has been Chairman of the Board and Chief Executive Officer of Northrop Grumman Corporation, a global defense company, since 2003.

Prior Positions Held: Dr. Sugar was President and Chief Operating Officer of Northrop Grumman Corporation from 2001 until 2003. He was President and Chief Operating Officer of Litton Industries, Inc., from 2000 until 2001. He was previously President and Chief Operating Officer of TRW Aerospace and Information Systems.

Public Company Directorships: Northrop Grumman Corporation.

Other Directorships and Memberships: Aerospace Industries Association; Boys & Girls Clubs of America; Los Angeles Philharmonic Association; National Academy of Engineering; Pearl Harbor Memorial Fund; Royal Aeronautical Society; University of Southern California Board of Trustees.

CARL WARE
Director since 2001

Mr. Ware, age 64, 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.

Public Company Directorships: Coca-Cola Bottling Co. Consolidated; Cummins Inc.

Other Directorships and Memberships: Atlanta Falcons; Clark Atlanta University Board of Trustees; PGA TOUR Golf Course Properties, Inc.

Board Operations

BOARD COMMITTEE MEMBERSHIP AND FUNCTIONS

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. In addition, each member of the Audit Committee is independent and financially literate, 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 Charles R. Shoemate, Chairman Linnet F. Deily Robert E. Denham Franklyn G. Jenifer	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 Chevron's compliance programs Evaluates the effectiveness of the Committee
BOARD NOMINATING AND GOVERNANCE Samuel H. Armacost, Chairman Sam Ginn Sam Nunn 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 Periodically reviews and recommends changes as appropriate in Chevron's Corporate Governance Guidelines, Restated Certificate of Incorporation, By-Laws and other Board-adopted governance provisions
MANAGEMENT COMPENSATION Robert J. Eaton, Chairman Samuel H. Armacost Kevin W. Sharer Ronald D. Sugar Carl Ware	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 incentive compensation and equity-based plans, including the Employee Savings Investment Plan Restoration Plan, Management Incentive Plan, Long-Term Incentive Plan, and Deferred Compensation Plan for Management Employees Evaluates the effectiveness of the Committee
PUBLIC POLICY Sam Nunn, Chairman Robert J. Eaton Sam Ginn Donald B. Rice Ronald D. Sugar	Identifies, monitors and evaluates domestic and international social, political and environmental trends and issues that affect Chevron's activities and performance Recommends to the Board policies, programs and strategies concerning such issues

"Audit Committee Financial Expert" as determined by the Board under the rules of the Securities Exchange Act of 1934.

Board Operations *(Continued)*

MEETINGS AND ATTENDANCE

In 2007, your Board held eight regularly scheduled Board meetings, all of which included executive sessions of independent directors, and 24 Board committee meetings, which included: 10 Audit Committee, five Board Nominating and Governance Committee, six Management Compensation Committee, and three Public Policy Committee meetings.

All Directors attended 89 percent or more of the Board meetings and their Board committee meetings during 2007. 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, absent extenuating circumstances. Last year, 13 of 14 Directors attended the 2007 Annual Meeting.

INDEPENDENT LEAD DIRECTOR

The Board has a Lead Director who is also an independent Director. Currently, Mr. Armacost is the Lead Director. The Lead Director is elected annually by the independent Directors. As described in the "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.

INDEPENDENCE OF DIRECTORS

The Board has affirmatively determined that each current, nonemployee Director (Mr. Armacost, Ms. Deily, Mr. Denham, Mr. Eaton, Mr. Ginn, Dr. Jenifer, Sen. Nunn, Dr. Rice, Mr. Sharer, Mr. Shoemate, Dr. Sugar and Mr. Ware) and the nonemployee Director nominee (Gen. Jones) 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. In making its determination, 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

Board Operations *(Continued)*

Directors are categorically immaterial if the transaction was conducted in the ordinary course of business:

- 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;
- 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 less, and if the charitable contributions are consistent with Chevron's philanthropic practices; and
- relationship arising solely from a Director's ownership of an equity or limited partnership interest in a party that engages in a transaction with Chevron, so long as the Director's ownership interest does not exceed 2 percent of the total equity or partnership interest in that other party.

These independence standards are contained in our Corporate Governance Guidelines, which are available on our Web site at *www.chevron.com*.

Mr. Armacost, Ms. Deily, Mr. Denham, Gen. Jones, Sen. Nunn, Dr. Rice, Mr. Sharer, Dr. Sugar and Mr. Ware are directors of for-profit entities with which Chevron conducts business in the ordinary course. They, plus Mr. Ginn, are also directors, trustees or similar advisors to not-for-profit entities to which Chevron contributed funds in 2007. The Board determined that all of these transactions and contributions were within the first and second categorical standards described above (except as noted below) and are therefore immaterial.

The Board reviewed the following relationships and transactions that existed or occurred in 2007 that are not covered by the categorical standards described above:

- For Ms. Deily, the Board considered that in 2007, Chevron made contributions to the Greater Houston Partnership (a not-for-profit advocate of Houston's business community) amounting to less than 2.6 percent of the Partnership's most recently reported annual gross revenues. Ms. Deily is a member of the Partnership's board of directors. The Board concluded that, given Chevron's significant presence in Houston, these contributions were made in the ordinary course of business, were not related to Ms. Deily's position as a director of the Partnership and would not impair Ms. Deily's independence.
- For Gen. Jones, the Board considered that in 2007, Chevron made contributions to the U.S. Chamber of Commerce amounting to less than 1.18 percent of the Chamber's most recently reported annual gross revenues. Gen. Jones is not a director or executive officer of the Chamber, although he is the President and Chief Executive Officer of the Chamber's Institute for 21st Century Energy. The Board concluded that, given Chevron's interest in the Chamber's various initiatives and the fact that most of the 2007 contributions related to the Chamber's Legal Reform Initiative, these contributions were made in the ordinary course of business, were not related to Gen. Jones' position at the Institute and would not impair Gen. Jones' independence.
- For Dr. Sugar, the Board considered that in 2007, Chevron purchased products from and sold products to Northrop Grumman Corporation, in the ordinary course of business, amounting to less than .01 percent of Northrop Grumman's and less than .0003 percent of Chevron's most recently reported annual consolidated gross revenues. Dr. Sugar is the

Board Operations *(Continued)*

Chairman and Chief Executive Officer of Northrop Grumman. The Board concluded that these transactions would not impair Dr. Sugar's independence.

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 Web site at *www.chevron.com* and is available in print upon request. We will post any amendments to the code on our Web site.

TRANSACTIONS WITH RELATED PERSONS

Review and Approval of Related Person Transactions

It is our policy that all employees and Directors, as well as their family members, must avoid any activity that is 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 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 the 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 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 shall be deemed to be preapproved by the Committee, even if the aggregate amount involved exceeds $120,000, the 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 where 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;

Board Operations *(Continued)*

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 Directors' 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 less) 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 in 2007

Leif Kalberg, a son-in-law of Mr. Peter J. Robertson, our Vice-Chairman, has accepted a position in Chevron's MBA Development Program through which Chevron hires top students from leading business schools. Compensation includes a starting annual salary of $105,000 and a starting bonus of $25,000 that will be paid at the beginning of employment later this year. The Board Nominating and Governance Committee reviewed and approved 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 Web site 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 2007 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 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, including those required by Statements on Auditing Standards No. 61 and No. 90 (Audit Committee Communications), as amended. In addition, the Audit Committee discussed with the independent registered public accounting firm its independence from Chevron and its management and received the written disclosures and the letter required by Independence Standards Board Standard No. 1

Board Operations *(Continued)*

(Independence Discussions With Audit Committees) 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, 2007, for filing with the SEC.

Respectfully submitted on February 27, 2008, by the members of the Audit Committee of your Board:

Charles R. Shoemate, Chairman
Linnet F. Deily
Robert E. Denham
Franklyn G. Jenifer

BOARD NOMINATING AND GOVERNANCE COMMITTEE REPORT

The Board Nominating and Governance Committee is responsible for defining and assessing qualifications for Board membership, identifying qualified Director candidates, assisting the Board in organizing itself to discharge its duties and responsibilities, and providing oversight on 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 Web site at *www.chevron.com* and is available in print upon request. The Committee submits this report to stockholders to report on its role.

When making recommendations to the Board about individuals to be nominated for election to the Board by the stockholders, the Committee follows the Board membership qualifications and nomination procedures identified in Chevron's Corporate Governance Guidelines. Generally, the membership qualifications are that an individual have:

- 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 Web site at *www.chevron.com*;
- broad experience at the policy-making level in business, government, education, technology or public interest;
- 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 NYSE Corporate Governance Standards).

The Committee uses a skills and qualifications matrix to evaluate potential candidates in order 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

Board Operations *(Continued)*

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 to maintain a balance of knowledge, experience and capability.

Under our Corporate Governance Guidelines, 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.

In addition to stockholder recommendations, the Committee receives Director candidates 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 to assist in identifying potential candidates. Since the 2007 Annual Meeting, the Board does not have any new members.

In connection with the 2008 Annual Meeting, the Committee evaluated current and anticipated operating requirements and the Board's current profile and recommended an increase in the Board size from 14 to 15 members. Of the 15 nominees for election as Directors, 14 are current Directors and one is a new nominee who was identified by our current nonemployee Directors as part of the Committee's regular process for identifying potential Director nominees. The Committee recommended and the Board determined that the 13 nonemployee Director nominees met the Board's definition of independence, none having a material relationship with the Corporation. In making its independence determination, the Board adhered to all of the specific tests for independence included in the NYSE Corporate Governance Standards. In addition, the Committee made recommendations to the Board on the Board Committee assignments, Committee chairman positions, Audit Committee "financial experts" and the financial literacy of Audit Committee members.

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

- annual election of all directors;
- annual election of the Chairman of the Board by the Directors;
- an independent Lead Director;
- right of stockholders to call for a special meeting;
- majority vote standard for the election of Directors in uncontested elections coupled with a director resignation policy;
- no supermajority voting provisions in Chevron's Restated Certificate of Incorporation;
- minimum stockholding requirements for directors and officers; and
- review and approval or ratification of "related person transactions" as defined by SEC rules.

The Corporate Governance Guidelines, the By-Laws and the Restated Certificate of Incorporation are available on Chevron's Web site at *www.chevron.com* and are available in print upon request.

Board Operations *(Concluded)*

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 provides the Committee periodically with information about the number and type of communications received, the number of responses sent and the disposition, if any. Further, the communications are made available to the nonemployee 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, at 6001 Bollinger Canyon Road, San Ramon, California 94583-2324.

The Committee's assessment is that Chevron has strong fundamental corporate governance practices in place. The Committee acknowledges that good corporate governance requires ongoing self-assessment, and the Committee is committed to periodically reviewing and updating the corporate governance practices to ensure Chevron maintains its position at the forefront of corporate governance best practices.

Respectfully submitted on March 25, 2008, by members of the Board Nominating and Governance Committee of your Board:

Samuel H. Armacost, Chairman
Sam Ginn
Sam Nunn
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 25, 2008, by members of the Management Compensation Committee of your Board:

Robert J. Eaton, Chairman
Samuel H. Armacost
Kevin W. Sharer
Ronald D. Sugar
Carl Ware

Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

This section explains how we compensate our named executive officers, or "NEOs":

NEO	Position
David J. O'Reilly	Chairman and Chief Executive Officer
Stephen J. Crowe	Chief Financial Officer
Peter J. Robertson	Vice Chairman
George L. Kirkland	Executive Vice President
John S. Watson	Executive Vice President

We have divided this section into three parts:

Part I The Principles and Processes That Underlie How We Compensate Our NEOs. In this section we discuss the important principles, processes, participants and tools that help us make compensation decisions for our NEOs.

Part II The Different Ways We Compensate Our NEOs. In this section we discuss the four components of NEO compensation base salary, short-term cash incentives, long-term equity incentives and benefits and actual compensation paid to our NEOs in 2007.

Part III Other Matters That Affect How We Compensate Our NEOs. In this section we discuss how other internal and external compensation policies or regulations can affect how we compensate our NEOs.

PART I THE PRINCIPLES AND PROCESSES THAT UNDERLIE HOW WE COMPENSATE OUR NEOs.

Our Core Principles for NEO Compensation

The core principles that underlie our approach to compensation are that NEO compensation should:

- reward creation of long-term stockholder value through increased stockholder returns;
- reflect long-term corporate and individual performance;
- 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, even through the cyclical nature of our business;
- 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/*).

How we compensate our NEOs also reflects the industry in which we compete. Chevron is a Fortune 10 company and one of the world's largest integrated energy companies. We operate complex oil, gas, petroleum and chemical businesses. We compete globally with large independent and national energy companies. We closely monitor the business performance and compensation practices of our top competitors, particularly Exxon Mobil, BP, Royal Dutch Shell and ConocoPhillips. Like these companies, our business is largely commodity based and can be highly cyclical, for a variety of reasons. Our business can be adversely affected at any time by external factors, including domestic and international economic trends, natural disasters and political

Executive Compensation *(Continued)*

instability. The lead times and project life spans in our business are generally very long term. Often, the life cycle of a particular project is 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 manage costs, control risks, execute business plans and leverage those employees whom they supervise in order to optimize profits and increase long-term stockholder value and return. These skills are vital to Chevron's continued success and must be supported by our compensation programs.

The Role of Our Management Compensation Committee and Its Compensation Planning Tools

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, as necessary, adjusts NEO compensation. For our CEO's compensation, the Committee makes recommendations to the nonemployee Directors of the Board. A complete description of the Committee's authority and responsibility is set forth in its charter, which is available on our Web site at *www.chevron.com* and is available in print upon request.

The Committee utilizes a variety of tools to assist it with fulfilling its responsibility for NEO compensation and making compensation decisions consistent with the core principles discussed above, including:

Compensation Consultants.

During 2007, the Committee retained an independent compensation consultant Hewitt Associates to assist it with its duties. The Committee has the exclusive right to select, retain and terminate Hewitt Associates as well as to approve any fees, terms or other conditions of Hewitt Associates' service. Hewitt Associates and its lead consultant report directly to the Committee. However, when directed to do so by the Committee, Hewitt Associates will work cooperatively with management to develop analyses or proposals that are presented to the Committee.

Hewitt Associates provides 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 benefit practices against those of our peers (discussed below). More particularly, during 2007 the Committee instructed Hewitt Associates to:

- manage an annual executive pay analysis covering base salary, short-term incentives, and long-term incentives for our CEO and other NEOs;
- attend selected Committee meetings (including executive sessions) and present results of their analysis and any key recommendations for Committee action, including, specifically, recommendations for CEO pay;
- discuss emerging trends and technical issues at designated Committee meetings during the year and review and comment on management proposals, as appropriate; and
- respond to miscellaneous Committee requests, including requests for analysis and trends in incentive pay design, executive benefits and disclosure requirements.

The Committee reviews information provided by Hewitt Associates to determine the appropriate level and mix of compensation for each of the NEOs in light of Chevron's compensation philosophy and objectives.

Executive Compensation *(Continued)*

Internal Compensation Specialists.

The Committee relies upon our internal compensation specialists for additional counsel, data and analysis. Our internal compensation specialists also provide the Committee with tally sheets to assist them in their compensation decisions.

CEO Recommendations.

The Committee also 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 others factors that the CEO believes may be relevant for the Committee's consideration.

Tally Sheets.

In 2007, the Committee continued its practice of reviewing summary remuneration tables, or tally sheets, for the NEOs. These tally sheets permit the Committee to review annual NEO compensation in the larger context of total, long-term compensation opportunities and the potential economic impact to Chevron for all NEO cash, equity and benefit awards, the economic impacts under various economic growth scenarios, and the impact upon retirement benefits for the NEOs. Any changes to an NEO's compensation are considered in the context of total, long-term compensation opportunities.

Peer Group Practices.

The Committee's compensation decisions for our NEOs are also 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 Oil Industry Peer Group consists of 12 oil and energy industry companies: Anadarko Petroleum, Hess, BP, ConocoPhillips, Devon Energy, Exxon Mobil, Marathon Oil, Occidental Petroleum, Royal Dutch Shell, Sunoco, Tesoro and Valero Energy. These companies 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, Management Incentive Plan awards and Long-Term Incentive Plan awards (described below). Data concerning these companies is derived from the Oil Industry Job Match Survey, an annual survey published by Towers Perrin, and these companies' proxy statements or other public disclosures.

The Non-Oil Industry Peer Group consists of 25 non-oil and energy industry companies: 3M, Alcoa, American Electric Power, AT&T, Boeing, Caterpillar, Dow Chemical, Dupont, Duke Energy, Ford Motor, General Electric, General Motors, Hewlett-Packard, Honeywell, IBM, Intel, International Paper, Johnson & Johnson, Lockheed Martin, Merck, Motorola, Northrop Grumman, PepsiCo, Pfizer and Verizon Communications. 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 comparable to us in size, complexity and scope of operations. The companies comprising 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 similar financial and operational size whose products are primarily commodities and that have, among other things, global operations, significant assets and capital requirements,

Executive Compensation *(Continued)*

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 Hewitt Associates' Total Compensation Measurement Database, a proprietary source of compensation data and analysis.

PART II THE DIFFERENT WAYS WE COMPENSATE OUR NEOS.

Overview

We compensate our NEOs in four ways: base salary, annual cash incentives, long-term equity incentives, and broad-based benefit and retirement programs. We describe each below.

Allocation Among Components

No specific formula is used to determine the allocation of an NEO's total compensation among base salary, short-term and long-term incentives, and benefits. However, we believe the NEOs' short-term and long-term, or at-risk, incentives should represent more than half of their annual compensation opportunity. Thus, for example, in 2007 the portion of the CEO's total compensation (base salary, MIP and LTIP grant date fair value) that was at risk was 89 percent and an average 86 percent was at risk for the other NEOs. In addition, as noted above, we believe that NEO compensation should be externally competitive and internally equitable. Thus, we evaluate an NEO's total compensation opportunity against the total compensation opportunity available to persons in the same base salary grade within Chevron and persons in similar positions at companies in the Oil and Non-Oil Industry Peer Groups.

Base Salary

The first of the four components of our NEOs' compensation is base salary. We believe that base salaries should provide a competitive base level of income and help us attract and retain strong executive talent. Base salaries also help us maintain an appropriate balance between fixed and short-term and long-term, at-risk, compensation.

How We Determine Our CEO's Base Salary.

The Committee and the other independent Directors believe that the CEO's base salary should be competitive with the other chief executive officers in our Oil Industry Peer Group. The Committee does not have predetermined targets or a predetermined range within the Oil Industry Peer Group as an objective. Instead, the Committee exercises its discretion, taking into account the size, scope and complexity of our business and the CEO's experience, skills and performance. The Committee makes a recommendation to the independent Directors, and the independent Directors make the salary determinations for the CEO.

Comparative Data. Each year when evaluating our CEO's base salary, the Committee directs Hewitt Associates to review and report to the Committee on the relation of our CEO's base salary to the base salaries of chief executive officers in our Oil Industry Peer Group and the Non-Oil Industry Peer Group. Hewitt Associates provides a summary of base salary data gleaned from proprietary compensation surveys and publicly available compensation data.

2007 Base Salary. In 2007, Hewitt Associates reported to the Committee that our CEO's base salary of $1,650,000 (effective since April 2006) was ranked third among the base salaries received by chief executive officers in our Oil Industry Peer Group and 12th among the base salaries received by chief executive officers in our Non-Oil Industry Peer Group. Given Chevron's positioning in the top quartile of the Oil Industry Peer Group for size of revenues and market capitalization, as

Executive Compensation *(Continued)*

well as our CEO's significant experience through his seven years in the position, the independent Directors determined that our CEO's base salary was appropriately positioned within each of our peer groups.

How We Determine Our Other NEOs' Base Salaries.

For our other NEOs, base salary is a function of two things: (1) their assigned base salary grade and (2) individual qualitative considerations such as individual performance, experience, skills, competitive positioning, retention objectives and leadership responsibilities relative to other NEOs. Our CEO 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. 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 occupying reasonably 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 may periodically approve increases in the base salary grade ranges if it determines that adjustments are necessary to maintain this competitiveness. Because our NEOs occupy the senior leadership management positions at Chevron, the positions are assigned to the highest salary grades. In 2007, the Committee approved a 5 percent increase in the base salary grade ranges for our NEOs after reviewing updated data from our Oil Industry Peer Group and the projected movement in base salaries among those companies. 2007 base salary grade ranges for our NEOs (other than the CEO) were as follows: Mr. Crowe ($620,000 to $930,000); Mr. Robertson ($760,000 to $1,140,000), Messrs. Kirkland and Watson ($620,000 to $930,000).

2007 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. Effective April 1, 2007, the Committee approved the following increases in the base salaries of our other NEOs. Mr. Crowe's 2007 base salary was increased 13.0 percent, to $650,000, due to his leadership and contributions as CFO and to his being promoted, in 2007, to the higher historical base salary grade for the CFO position. These actions place him relatively low in his new salary grade range. Mr. Robertson's 2007 base salary was increased 5.3 percent, to $1,000,000, to reflect adjustments to the base salary grade range in which Mr. Robertson is placed and the Committee's desire that Mr. Robertson's base salary be positioned above the midpoint of his base salary grade in recognition of his role, responsibilities and experience as Vice Chairman. Messrs. Kirkland's and Watson's 2007 base salaries were increased 9.3 percent, to $765,000, in recognition of their continued strong leadership and performance and Chevron's strong upstream performance and the Committee's desire to place their base salaries at the midpoint of their base salary grade ranges.

We also report each NEO's base salary in the "Summary Compensation Table." As described in "Other Benefits, Retirement Programs and Perquisites," NEOs are eligible to defer up to 40 percent of their base salary over the IRC 401(a)(17) limit for payment upon retirement or termination of service. We describe the aggregate NEO deferrals in 2007 in the "Nonqualified Deferred Compensation Table," below.

Executive Compensation *(Continued)*

Annual Cash Incentive The Management Incentive Plan

The second of the four components of our NEOs' compensation is an annual cash incentive, or Management Incentive Plan (MIP) award. (Effective January 1, 2008 the MIP has been redesignated the Chevron Incentive Plan. We refer to MIP in the following discussion as it relates to 2007 compensation.)

MIP awards are designed to reward the NEOs for business and individual performance. We believe that MIP awards are an effective short-term performance management, development and retention tool. In March 2008, MIP awards for the 2007 performance year were made to the NEOs as detailed in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table," below.

How We Determine MIP Awards.

Prior to the performance year, the Committee establishes a MIP Award Target (explained under "MIP Award Target" below) for each NEO, which is based on a percentage of the NEO's base salary. After the end of the performance year, the Committee assesses Chevron's overall performance and sets a Corporate Performance Factor (explained under "Chevron's Corporate Performance" below), which is the same for each NEO. The Committee then determines the cash amount for each NEO's MIP award by multiplying the NEO's MIP Award Target by the Corporate Performance Factor, and then adjusting the number to take into account the NEO's individual performance, including the performance of any strategic business units reporting to the NEO. The Corporate Performance Factor and the NEO's individual performance are not determined by a formula or on the basis of predetermined financial targets or award ranges. Rather, the Committee exercises its discretion based upon a number of factors discussed below. With respect to each NEO other than the CEO, the CEO makes a recommendation to the Committee.

<u>MIP Award Target</u>. The MIP Award Target is a percentage of the NEO's base salary and is set prior to the beginning of the performance year as an appropriate starting point for determining the actual size of the NEO's MIP award. We believe that MIP awards, like salaries, should be internally consistent such that persons in the same base salary grade have the same percentage of base salary to establish the MIP Award Target. The Committee sets the percentage of base salary for each salary grade to be competitive with similar awards to persons in similar positions at companies in our Oil Industry Peer Group. For the CEO, the Committee relies on data covering CEOs in the Oil Industry Peer Group that is provided by its compensation consultant, Hewitt Associates, in determining the MIP Award Target. Since there are not identical jobs at other companies, for the rest of the NEOs, the Committee relies on the data from the Oil Industry Survey to ensure that the award targets are generally competitive. In 2006, the Committee set, for the 2007 performance year, the following MIP Award Targets for each NEO based upon the percentage of base salary for the salary grade of the NEO: Mr. O'Reilly-125 percent, Mr. Robertson-90 percent, and Messrs. Crowe, Kirkland and Watson-80 percent.

<u>Chevron's Corporate Performance</u>. We believe that MIP awards should be largely determined by our overall corporate performance. After the end of the performance year, the Committee sets the Corporate Performance Factor based on its assessment of how the Company performed. The Committee considers numerous metrics in setting the Corporate Performance Factor, primarily earnings, return on capital employed, and Chevron's total stockholder return ranking and Chevron's return on capital employed ranking. The Committee does not have a set formula for evaluation of these metrics, but rather exercises its discretion, taking into account how the Company performed in light of its business plan objectives. Also, given the long-term nature of the business, in which

Executive Compensation *(Continued)*

investments today yield returns for decades to come, the Committee also considers decisions and progress on strategic investments. For 2007, the objectives and actual performance for each of the key indicators were as follows:

Indicator	Objective	Actual	Actual As a % of Objective
Earnings *(in billions)*	$ 15.1	$ 18.7	123%
Return on Capital Employed (ROCE)*	18.6%	23.1%	124%
Chevron's TSR Ranking**	N/A	1 of 5	N/A
Chevron's ROCE Ranking**	N/A	2 of 5	N/A

* Calculated as net income (adjusted for after-tax interest expense and minority interest) divided by the average of total debt, minority interest and stockholders' equity for the year.

** TSR ranking is Chevron's total stockholder return (including stock price appreciation and dividends) compared with the four largest companies in the Oil Industry Peer Group for 2007 (BP, ConocoPhillips, Exxon Mobil and Royal Dutch Shell), and ROCE ranking is Chevron's return on capital employed compared with the same four companies in the Oil Industry Peer Group for 2007.

The Committee also focuses on nonfinancial items, such as safety, employee diversity, oil and gas production, reliability of facilities and operations, and progress on strategic projects and investments for the future of the business. The Committee considers the Company's performance in these areas on both an absolute and relative basis, comparing our performance against the performance of our top competitors in the Oil Industry Peer Group BP, ConocoPhillips, Exxon Mobil and Royal Dutch Shell and considering these in light of matters beyond management's control, such as commodity price effects, industry mergers and acquisitions, and foreign exchange. The Committee also relies on data provided by Hewitt Associates for determining that the amounts are competitive and in line with relative performance. In recognition of the Company's fourth consecutive year of record earnings, its improved relative position in ROCE, 30.5 percent total stockholder return, and other financial and nonfinancial results, the Committee set for 2007 a Corporate Performance Factor of 150 percent. The Corporate Performance Factor is the same for each NEO.

Individual Performance. We believe that MIP 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 Factor to the MIP Award Target for each NEO, the Committee exercises its discretion in further adjusting the final MIP award to take into account individual performance, which includes consideration of business performance in the areas of responsibility reporting to the NEO. The Committee also considers internal pay equity to ensure that NEOs in the same base salary grade are positioned properly. The Committee does not use a predetermined set of metrics, targets or formula in considering individual performance. Instead, the Committee uses its judgment in analyzing the individual performance of each NEO, including how any business units reporting to the NEO performed.

Executive Compensation *(Continued)*

2007 MIP Awards.

Our NEOs received the following MIP awards, which are also detailed in the "Summary Compensation Table," below.

Mr. O'Reilly received an award of $3,600,000. This amount reflects the amount of his base salary ($1,650,000) multiplied by his MIP Award Target percentage of 125 percent multiplied by the Corporate Performance Factor of 150 percent, resulting in $3,093,750. The remaining $506,250 of Mr. O'Reilly's award is attributable to the Committee's and Board's assessment of his individual performance in 2007, specifically his continued direction in the area of focus on long-term investment and growth opportunities and the continued progress on nearer term operational excellence.

Mr. Crowe received an award of $875,000. This amount reflects the amount of his base salary ($650,000) multiplied by his MIP Award Target percentage of 80 percent multiplied by the Corporate Performance Factor of 150 percent, resulting in $780,000. The remaining $95,000 of Mr. Crowe's award is attributable to the Committee's and Board's assessment of his individual performance in 2007, specifically his leadership in insuring compliance in all areas of financial reporting and internal controls and his leadership in the area of cash management, including the successful completion of a $7 billion share repurchase program.

Mr. Robertson received an award of $1,500,000. This amount reflects the amount of his base salary ($1,000,000) multiplied by his MIP Award Target percentage of 90 percent multiplied by the Corporate Performance Factor of 150 percent, resulting in $1,350,000. The remaining $150,000 of Mr. Robertson's award is attributable to the Committee's and Board's assessment of his individual performance in 2007, specifically his continuing leadership in Chevron's long-term People Strategy, his role in representing Chevron's interests in public and governmental matters and his direction towards insuring appropriate compliance processes are in place.

Mr. Kirkland received an award of $1,050,000. This amount reflects the amount of his base salary ($765,000) multiplied by his MIP Award Target percentage of 80 percent multiplied by the Corporate Performance Factor of 150 percent, resulting in $918,000. The remaining $132,000 of Mr. Kirkland's award is attributable to the Committee's and Board's assessment of his individual performance in 2007, specifically his leadership in implementing a new global exploration and production organization better aligned to capture our growth strategies, his leadership with host governments and business partner relationships.

Mr. Watson received an award of $1,050,000. This amount reflects the amount of his base salary ($765,000) multiplied by his MIP Award Target percentage of 80 percent multiplied by the Corporate Performance Factor of 150 percent, resulting in $918,000. The remaining $132,000 of Mr. Watson's award is attributable to the Committee's and Board's assessment of his individual performance in 2007, specifically the record earnings in the international exploration and production sector, the completion of key international upstream project milestones and his leadership in progressing future upstream growth opportunities.

Annual Long-Term Equity Incentive The Long-Term Incentive Plan

The third of the four components of our NEOs' compensation is an annual long-term equity incentive, or Long-Term Incentive Plan (LTIP) award, consisting of a mix of stock options and performance shares. We believe that LTIP awards are an effective way to give NEOs an equity

Executive Compensation *(Continued)*

stake in our business, thereby encouraging performance that significantly increases long-term stockholder return. LTIP awards are designed to provide a significant portion of the total compensation opportunity that is at risk and are in direct alignment with stockholder value. As stockholder value increases, so too will the value of an NEO's equity stake in our business.

NEOs are eligible to receive an LTIP award annually. LTIP award sizes are not determined by a formula or on the basis of predetermined financial targets or award ranges, but rather as described below. Our NEOs received LTIP awards as detailed in the "Grants of Plan-Based Awards in Fiscal Year 2007" table, below.

How We Structure LTIP Awards.

Each NEO's LTIP award consists of two components stock options and performance shares. 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 tied directly to the stock market while performance shares add a relative performance perspective. 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 TSR of our top competitors in our Oil Industry Peer Group Exxon Mobil, BP, Royal Dutch Shell and ConocoPhillips. 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 its top global competitors in the Oil Industry Peer Group that have substantial U.S. operations; that are most similar to Chevron in size, complexity of business, and scope and location of operations; and that primarily compete for shareholder investment in the large energy industry market.

Stock Options. Sixty percent of an NEO's LTIP award value consists of nonqualified stock options. The actual number of shares is determined by dividing 60 percent of the value of the NEO's LTIP award by an estimated Black-Scholes value. 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 stock options and either sell or hold the shares subject to the option.

We report the value of each NEO's 2007 stock option exercises in the "Option Exercises and Stock Vested in Fiscal Year 2007" table.

Performance Shares. Forty percent of an NEO's LTIP award consists of performance shares. The actual number of shares is determined by dividing 40 percent of the value of the NEO's LTIP award by the 180-day trailing average stock price multiplied by a discount factor derived from a valuation simulation. An NEO is eligible to receive a percentage of the value of the performance shares at the end of the applicable three-year performance period depending upon how our TSR for the same period compares with that of our top competitors in our Oil Industry Peer Group Exxon Mobil, BP, Royal Dutch Shell and ConocoPhillips. Thus, for example, performance shares awarded in March 2008 will not be eligible for payout (if any) until 2011; any performance share payouts occurring in 2007 were from performance shares granted in 2004.

We calculate the value of performance share payouts in the manner described in footnote seven to the "Option Exercises and Stock Vested in Fiscal Year 2007," table, below. For stock options and performance shares, we describe the effects of termination of service in the "Potential Payments Upon Termination or Change-in-Control" tables, below.

Executive Compensation *(Continued)*

How We Determine LTIP Awards.

The CEO. The ultimate value received from the CEO's LTIP grant is completely dependent upon Chevron's stock price appreciation in the case of stock options, which inherently includes shareholder returns, and Chevron's relative total shareholder return in the case of performance shares. In determining the size of an LTIP award for the CEO, the Committee relies upon input from Hewitt Associates and the data from the Oil Industry Job Match Survey. 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 targets or a predetermined range within the Oil Industry Peer Group as an objective for awards. On March 28, 2007, the Committee recommended and the Board approved an LTIP award for the CEO that on that date had an economic value that is competitive with similar awards granted to the other chief executive officers in our Oil Industry Peer Group. The ultimate value of our CEO's award will depend completely upon, in the case of his stock options, the appreciation of our stock price, and, in the case of his performance shares, our relative total shareholder return over the three-year measurement period.

NEOs Other Than the CEO. The ultimate value received from an LTIP grant is completely dependent upon Chevron's stock price appreciation in the case of stock options, which inherently includes shareholder returns, and Chevron's relative total shareholder return in the case of performance shares. 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 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 targets or comparative percentiles for awards. In determining the size of the NEO's LTIP award, the Committee relies upon input from Hewitt Associates and the data from the Oil Industry Job Match Survey. On March 28, 2007, the Committee approved LTIP awards for each of the NEOs other than the CEO that on that date had an economic value that is competitive with similar awards granted to other NEOs in our Oil Industry Peer Group, based upon the data compiled by Hewitt Associates and the data from the Oil Industry Job Match Survey. The ultimate value of these awards will depend completely upon, in the case of stock options, the appreciation of our stock price, and, in the case of performance shares, our relative total shareholder return over the three-year measurement period.

We report the actual grant date value of the stock options and performance shares granted in 2007 to each NEO in the "Grants of Plan-Based Awards in Fiscal Year 2007" table, below.

Other Benefits, Retirement Programs and Perquisites

The fourth component of our NEOs' compensation is benefits, retirement programs and limited perquisites. These are designed to encourage retention and reward long-term employment.

Benefit Programs.

The same health and welfare programs, including postretirement health care, that are broadly available to our employees in the United States also apply to NEOs, with no other special programs.

Executive Compensation *(Continued)*

Retirement Programs.

Our equity and benefit programs are based upon a career employment model and designed to encourage retention and long-term employment. Since many of our business decisions have long-term horizons and to ensure our executives have a vested interest in our future profitability, the programs are designed to allow executives to increase their benefits due to longer service.

NEO retirement programs are comparable with the 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 on account of IRS limitations and the Management Incentive Plan awards not covered by the Chevron Retirement Plan. NEOs are eligible to participate in the following retirement programs:

Chevron Retirement Plan: 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 plan are eligible for a pension after retirement. In the "Summary Compensation Table" and "Pension Benefits Table," below we report the change in pension value in 2007 and present the value of each NEO's accumulated benefit under the plan.

Chevron Retirement Restoration Plan: An unfunded and nonqualified defined-benefit restoration pension plan that is designed to provide benefits comparable with those provided by the Chevron Retirement Plan but that cannot be paid from the Chevron Retirement Plan because of IRS limitations on benefits and earnings imposed on tax-qualified plans and because Management Incentive Plan awards are not covered by the Chevron Retirement Plan. In the "Pension Benefits Table" and accompanying narrative below we describe how the plan works as well as the present value of each NEO's accumulated benefit under the plan.

Employee Savings Investment Plan: A defined contribution plan that is intended to be tax qualified under Internal Revenue Code section 401(k). We provide an 8 percent match on an NEO's contributions to the plan, up to 2 percent of their compensation. Our match up to the IRS limit is made to the plan. We describe Chevron contributions to each NEO's plan account in the "Summary Compensation Table," below.

Employee Savings Investment Plan Restoration Plan: A nonqualified defined contribution restoration plan that provides for a Chevron contribution that would have been paid in the Employee Savings Investment Plan but for the fact that the NEO's contributions were above the IRS limits for the Employee Savings Investment Plan. For contributions in excess of the IRS limits, NEOs can elect to have 2 percent of their compensation directed into the Deferred Compensation Plan, and we will deposit our match in those funds into the Chevron Employee Savings Investment Restoration Plan. We describe Chevron contributions to each NEO's plan account in the "Nonqualified Deferred Compensation Table," below.

Deferred Compensation Plan: An unfunded and nonqualified defined contribution plan that permits NEOs to defer up to 90 percent of their MIP awards and LTIP performance shares and up to 40 percent of their base salary above the IRC 401(a)(17) limit for payment after retirement or termination of 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," below we describe the aggregate NEO deferrals and earnings in 2007.

Executive Compensation *(Continued)*

Perquisites.

Perquisites for NEOs are very limited and consist only of financial counseling fees, home security, and the aggregate incremental costs to Chevron for personal use of Chevron automobiles and aircraft. We report each NEO's perquisites in 2007 in the "Summary Compensation Table," below.

PART III OTHER MATTERS THAT AFFECT HOW WE COMPENSATE OUR NEOs.

Stock Ownership Guidelines

As noted above, one of the core principles underlying how we compensate our NEOs is to encourage creation of long-term stockholder value through increased stockholder returns. One way we do this is to require our NEOs to hold prescribed levels of stock, thereby linking their interests with those of our stockholders. Ownership guidelines are based on a multiple of each NEO's base salary: for our CEO, five times; Vice Chairman, Executive Vice Presidents and Chief Financial Officer, four times; all other corporate officers, two times. All of our NEOs have satisfied the ownership guidelines. Based upon our closing stock price on December 31, 2007, the CEO's stock ownership multiple of base salary was more than nine times, and the rest of the NEOs averaged more than six-and-a-half times.

Employment, Severance or Change-in-Control Agreements

We do not maintain employment, severance or change-in-control agreements with our NEOs. However, upon retirement or termination of service for other reasons, NEOs are entitled to certain accrued benefits and payments. We describe these benefits and payments in the "Potential Payments Upon Termination or Change-in-Control" tables, below.

Compensation Recovery Policies

Our Management Incentive, Long-Term Incentive and Deferred Compensation Plans were amended in June 2005 to permit us to "claw back" certain amounts of compensation awarded since that time when an NEO commits acts of embezzlement, fraud or theft or other acts that harm our business, reputation or other employees, or when the NEO's misconduct results in our having to prepare an accounting restatement, the disclosure of our confidential information, or when, following termination of service, the NEO fails to abide by the terms of any confidentially, noncompetition or nonsolicitation agreements with us.

The Tax Deductibility of NEO Compensation

Under Section 162(m) of the Internal Revenue Code, we generally receive an annual federal income tax deduction for compensation paid to the CEO and the other four most highly paid executives only if the compensation is less than $1 million or is performance-based. The applicable awards granted under both the Management Incentive Plan and the Long-Term Incentive Plan qualify as performance-based compensation and thus are fully tax-deductible for us. The MIP performance-based criteria were reaffirmed by stockholders in 2002, and the LTIP plan was reapproved in 2004. The Committee intends to continue seeking a tax deduction for all executive compensation, to the extent it is in the best interests of Chevron and its stockholders.

Executive Compensation *(Continued)*

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation of our named executive officers, or "NEOs," for the fiscal years ending December 31, 2007, and December 31, 2006. None of our NEOs has an employment contract with the Company. 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 ($)
D.J. O'Reilly, Chairman and CEO	2007	$ 1,650,000	$ 19,387,350	$ 6,650,584	$ 3,600,000	$ 0	$ 255,251	$ 31,543,185
	2006	$ 1,620,833	$ 13,008,715	$ 6,922,146	$ 3,500,000	$ 6,322,578	$ 228,617	$ 31,602,889
S.J. Crowe, Chief Financial Officer	2007	$ 628,125	$ 4,204,525	$ 1,865,439	$ 875,000	$ 1,384,104	$ 66,522	$ 9,023,715
	2006	$ 553,125	$ 1,931,712	$ 1,224,583	$ 750,000	$ 1,514,768	$ 61,986	$ 6,036,174
P.J. Robertson, Vice Chairman	2007	985,417	$ 8,476,531	$ 2,950,296	$ 1,500,000	$ 119,935	$ 136,143	$ 14,168,322
	2006	$ 935,417	$ 5,544,890	$ 2,946,302	$ 1,500,000	$ 3,215,273	$ 118,723	$ 14,260,605
G.L. Kirkland, Executive Vice President	2007	$ 746,042	$ 4,287,145	$ 1,539,819	$ 1,050,000	$ 662,309	$ 76,303	$ 8,361,618
	2006	$ 679,583	$ 2,303,245	$ 1,158,095	$ 1,000,000	$ 1,688,917	$ 72,428	$ 6,902,268
J.S. Watson, Executive Vice President	2007	746,042	$ 4,675,957	$ 1,306,593	$ 1,050,000	$ 0	$ 100,260	$ 7,878,852
	2006	$ 685,417	$ 2,844,431	$ 1,206,416	$ 1,000,000	$ 834,565	$ 70,756	$ 6,641,585

(1)
Compensation is reviewed after the end of each year, and salary increases, if any, are effective April 1 of the following year. The table below reflects the salary effective April 1, 2006 and 2007, for each of the NEOs and the amounts earned and deferred under the Deferred Compensation Plan for Management Employees (DCP).

Name	Year	Salary Effective April 1	Salary Deferred Under the DCP
D.J. O'Reilly	2007	$ 1,650,000	$ 660,000

	2006	$	1,650,000	$	630,250
S.J. Crowe	2007	$	650,000	$	251,250
	2006	$	575,000	$	221,250
P.J. Robertson	2007	$	1,000,000	$	15,208
	2006	$	950,000	$	14,308
G.L. Kirkland	2007	$	765,000	$	10,421
	2006	$	700,000	$	9,192
J.S. Watson	2007	$	765,000	$	10,421
	2006	$	700,000	$	9,308

(2)
2007 amounts include the aggregate proportionate fair value for (a) performance shares granted under the Corporation's Long-Term Incentive Plan in four grant years (2007, 2006, 2005 and 2004) and (b) restricted stock units granted under the LTIP on June 25, 2003, that have been recognized as compensation costs in our financial statements for the fiscal year ended December 31, 2007 under Financial Accounting Standards Board Statement of Financial Accounting Standards (FAS) No. 123 (revised 2004), Share-Based Payment (FAS 123R).

Executive Compensation *(Continued)*

The amounts do not represent the grant date fair value of performance shares granted in 2007. The grant date fair value of performance shares granted in 2007 reported in the "Grants of Plan-Based Awards in Fiscal Year 2007" table below, for each of the NEOs is as follows:

Name	Grant Date Fair Value of Performance Shares Granted in 2007
D.J. O'Reilly	$4,511,240
S.J. Crowe	$1,555,600
P.J. Robertson	$2,100,060
G.L. Kirkland	$1,555,600
J.S. Watson	$1,555,600

2007 amounts relating to performance shares reflect the compensation costs recognized in our 2007 financial statements under FAS 123R. As such, this includes amounts for the following number of performance shares granted from 2004 through 2007 as follows:

Name	2007 Grant	2006 Grant	2005 Grant	2004 Grant
D.J. O'Reilly	58,000	64,000	66,000	106,000
S.J. Crowe	20,000	12,000	13,000	9,000
P.J. Robertson	27,000	27,000	28,000	40,000
G.L. Kirkland	20,000	20,000	18,000	18,000
J.S. Watson	20,000	20,000	18,000	27,000

Under the provisions of FAS 123R, performance shares are classified as liability awards. Accordingly, total per-share compensation cost equals the payout amount measured as of the settlement date at the end of the three-year performance period. Until settlement, compensation costs recorded in our financial statements recognize changes in estimated fair value as of the end of each quarterly reporting period. We use a Monte Carlo approach to calculate estimated fair value of performance shares. To derive estimated fair value per share, this valuation technique simulates TSR for the Company and the peer group 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. As of December 31, 2007, this technique generated estimated fair values per share of $118.34, $147.10, and $162.74 for the outstanding 2007, 2006 and 2005 grants, respectively. The settlement value for the 2004 grant was $82.36 per share. Since the performance period for the 2004 grant ended in 2007, each performance share under the 2004 grant was further adjusted by the actual performance modifier of 125 percent.

2007 amounts in the "Stock Awards" column also include the proportionate amount of fair value of the restricted stock units granted under the LTIP on June 25, 2003, that have been recognized as compensation costs in our 2007 financial statements and the aggregate dividend accrual in 2007 paid and to be paid at vesting. The value of each restricted stock unit is $36.70, which is based on the closing price of Chevron common stock on the date of the grant. The number of restricted stock units granted in 2003 were: Mr. Robertson, 31,000; Mr. Kirkland, 13,000; and Mr. Watson, 24,000. Fifty percent vested on June 25, 2007, and the remaining 50 percent will vest on June 25, 2011. Total restricted stock unit dividends accrued in 2007 (including a portion paid upon the vesting in June 2007) were: Mr. Robertson, $58,827; Mr. Kirkland, $24,669; and Mr. Watson, $45,543.

(3)

2007 amounts include the aggregate proportionate fair value for stock option grants made under the LTIP in four grant years (2007, 2006, 2005 and 2004) that have been recognized as compensation costs in our financial statements for

Executive Compensation *(Continued)*

the fiscal year ended December 31, 2007 under FAS 123R. The actual value of stock options granted in 2007, as reported in the "Grants of Plan-Based Awards in Fiscal Year 2007" table, below for each of the NEOs was:

Name	Grant Date Fair Value of Stock Options Granted in 2007
D.J. O'Reilly	$5,726,250
S.J. Crowe	$1,908,750
P.J. Robertson	$2,595,900
G.L. Kirkland	$1,908,750
J.S. Watson	$1,908,750

The number of stock options granted to each of the NEOs was:

Name	2007 Grant	2006 Grant	2005 Grant	2004 Grant
D.J. O'Reilly	375,000	400,000	425,000	460,000
S.J. Crowe	125,000	75,000	80,000	42,000
P.J. Robertson	170,000	170,000	180,000	200,000
G.L. Kirkland	125,000	125,000	115,000	90,000
J.S. Watson	125,000			