

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 001-00368

Chevron Corporation

(Exact name of registrant as specified in its charter)

Delaware

94-0890210

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

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (925) 842-1000
Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class

Name of Each Exchange
on Which Registered

Common stock, par value \$.75 per share

New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter — \$207,005,770,000 (As of June 29, 2012)

Number of Shares of Common Stock outstanding as of February 11, 2013 — 1,942,697,787

DOCUMENTS INCORPORATED BY REFERENCE

(To the Extent Indicated Herein)

Notice of the 2013 Annual Meeting and 2013 Proxy Statement, to be filed pursuant to Rule 14a-6(b) under the Securities Exchange Act of 1934, in connection with the company's 2013 Annual Meeting of Stockholders (in Part III)

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Chevron Corporation:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, comprehensive income, equity and of cash flows present fairly, in all material respects, the financial position of Chevron Corporation and its subsidiaries at December 31, 2012, and December 31, 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis,

evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

San Francisco, California

February 22, 2013

Note 18 Accounting for Suspended Exploratory Wells - Continued

The projects for the \$821 referenced above had the following activities associated with assessing the reserves and the projects' economic viability: (a) \$359 (six projects) – undergoing front-end engineering and design with final investment decision expected within three years; (b) \$218 (four projects) – development concept under review by government; (c) \$202 (five projects) – development alternatives under review; (d) \$42 (eight projects) – miscellaneous activities for projects with smaller amounts suspended. While progress was being made on all 46 projects, the decision on the recognition of proved reserves under SEC rules in some cases may not occur for several years because of the complexity, scale and negotiations connected with the projects. However, the majority of these decisions are expected to occur in the next three years.

The \$2,180 of suspended well costs capitalized for a period greater than one year as of December 31, 2012, represents 166 exploratory wells in 46 projects. The tables below contain the aging of these costs on a well and project basis:

<i>Aging based on drilling completion date of individual wells:</i>	Amount	Number of wells
1997–2001	\$ 65	23
2002–2006	416	41
2007–2011	1,699	102
Total	\$ 2,180	166

<i>Aging based on drilling completion date of last suspended well in project:</i>	Amount	Number of projects
1999	\$ 8	1
2003–2007	322	8
2008–2012	1,850	37
Total	\$ 2,180	46

Note 19

Stock Options and Other Share-Based Compensation

Compensation expense for stock options for 2012, 2011 and 2010 was \$283 (\$184 after tax), \$265 (\$172 after tax) and \$229 (\$149 after tax), respectively. In addition, compensation expense for stock appreciation rights, restricted stock, performance units and restricted stock units was \$177 (\$115 after tax), \$214 (\$139 after tax) and \$194 (\$126 after tax) for 2012, 2011 and 2010, respectively. No significant stock-based compensation cost was capitalized at December 31, 2012, or December 31, 2011.

Cash received in payment for option exercises under all share-based payment arrangements for 2012, 2011 and 2010 was \$753, \$948 and \$385, respectively. Actual tax benefits realized for the tax deductions from option exercises were \$101, \$121 and \$66 for 2012, 2011 and 2010, respectively.

Cash paid to settle performance units and stock appreciation rights was \$123, \$151 and \$140 for 2012, 2011 and 2010, respectively.

Chevron Long-Term Incentive Plan (LTIP) Awards under the LTIP may take the form of, but are not limited to, stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and nonstock grants. From April 2004 through January 2014, no more than 160 million shares may be issued under the LTIP, and no more than 64 million of those shares may be in a form other than a stock option, stock appreciation right or award requiring full payment for shares by the award recipient. For the major types of awards outstanding as of December 31, 2012, the contractual terms vary between three years for the performance units and 10 years for the stock options and stock appreciation rights.

Unocal Share-Based Plans (Unocal Plans) When Chevron acquired Unocal in August 2005, outstanding stock options and stock appreciation rights granted under various Unocal Plans were exchanged for fully vested Chevron options and appreciation rights. These awards retained the same provisions as the original Unocal Plans. Unexercised awards began expiring in early 2010 and will continue to expire through early 2015.

Note 19 Stock Options and Other Share-Based Compensation - Continued

The fair market values of stock options and stock appreciation rights granted in 2012, 2011 and 2010 were measured on the date of grant using the Black-Scholes option-pricing model, with the following weighted-average assumptions:

	Year ended December 31		
	2012	2011	2010
Stock Options			
Expected term in years ¹	6.0	6.2	6.1
Volatility ²	31.7 %	31.0 %	30.8 %
Risk-free interest rate based on zero coupon U.S. treasury note	1.1 %	2.6 %	2.9 %
Dividend yield	3.2 %	3.6 %	3.9 %
Weighted-average fair value per option granted	\$ 23.35	\$ 21.24	\$ 16.28

¹ Expected term is based on historical exercise and postvesting cancellation data.

² Volatility rate is based on historical stock prices over an appropriate period, generally equal to the expected term.

A summary of option activity during 2012 is presented below:

	Shares (Thousands)	Weighted- Average Exercise Price	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2012	72,348	\$ 73.71		
Granted	12,455	\$ 107.73		
Exercised	(12,024)	\$ 62.13		
Forfeited	(884)	\$ 96.78		
Outstanding at December 31, 2012	71,895	\$ 81.26	6.3	\$ 1,933
Exercisable at December 31, 2012	47,060	\$ 72.82	5.2	\$ 1,662

The total intrinsic value (i.e., the difference between the exercise price and the market price) of options exercised during 2012, 2011 and 2010 was \$580, \$668 and \$259, respectively. During this period, the company continued its practice of issuing treasury shares upon exercise of these awards.

As of December 31, 2012, there was \$255 of total unrecognized before-tax compensation cost related to nonvested share-based compensation arrangements granted under the plans. That cost is expected to be recognized over a weighted-average period of 1.7 years.

At January 1, 2012, the number of LTIP performance units outstanding was equivalent to 2,881,836 shares. During 2012, 888,350 units were granted, 882,003 units vested with cash proceeds distributed to recipients and 60,426 units were forfeited. At December 31, 2012, units outstanding were 2,827,757, and the fair value of the liability recorded for these instruments was \$320. In addition, outstanding stock appreciation rights and other awards that were granted under various LTIP and former Unocal programs totaled approximately 2.4 million equivalent shares as of December 31, 2012. A liability of \$71 was recorded for these awards.

Note 20

Employee Benefit Plans

The company has defined benefit pension plans for many employees. The company typically prefunds defined benefit plans as required by local regulations or in certain situations where prefunding provides economic advantages. In the United States, all qualified plans are subject to the Employee Retirement Income Security Act (ERISA) minimum funding standard. The company does not typically fund U.S. nonqualified pension plans that are not subject to funding requirements under laws and regulations because contributions to these pension plans may be less economic and investment returns may be less attractive than the company's other investment alternatives.

The company also sponsors other postretirement (OPEB) plans that provide medical and dental benefits, as well as life insurance for some active and qualifying retired employees. The plans are unfunded, and the company and retirees share the costs. Medical coverage for Medicare-eligible retirees in the company's main U.S. medical plan is secondary to Medicare (including Part D) and the increase to the company contribution for retiree medical coverage is limited to no more than 4 percent each year. Certain life insurance benefits are paid by the company.

Under accounting standards for postretirement benefits (ASC 715), the company recognizes the overfunded or underfunded status of each of its defined benefit pension and OPEB plans as an asset or liability on the Consolidated Balance Sheet.

Executive Compensation

Compensation Discussion and Analysis

A Message To Our Stockholders

“Chevron’s executive compensation program ensures alignment between stockholders, executives, and the Company.”

Carl Ware

Chairman of the Management Compensation Committee

Dear Chevron Stockholder,

The Management Compensation Committee (MCC) carefully considers your views about how we pay our executives. The MCC is composed solely of independent Directors, and we are accountable for ensuring that the links between pay and our business goals are responsible, appropriate, and strongly aligned with your interests as a Chevron stockholder.

We annually review our compensation programs, including our compensation-related risk profile, to ensure that our compensation-related risks are not likely to have a material adverse effect on the Company. Our programs are designed to be externally competitive and sufficiently flexible in order to attract, motivate, and retain top-tier talent in this highly competitive industry. To assist us, we engage an independent compensation consultant, Exequity LLP, which performs no other consulting or other services for Chevron.

Each year, we take into account the result of the “say-on-pay” vote cast by you. In 2012, approximately 95 percent of those who voted approved the compensation of Chevron’s Named Executive Officers (NEOs). We interpreted this strong level of support as affirmation of the current design, purposes, and direction of our compensation programs. We also solicited input from a number of our largest stockholders to get specific feedback.

Our leadership team has a track record of delivering superior stockholder returns. They have been successful in reaching challenging performance milestones and creating long-term stockholder value. Our existing compensation plans have clearly been a part of that success. While we did not make substantive changes to our program in 2012, we continue to review our approach and make improvements, when appropriate.

Chevron is proud to be part of your portfolio, and we look forward to many successful years ahead.

Sincerely,

Management Compensation
Committee

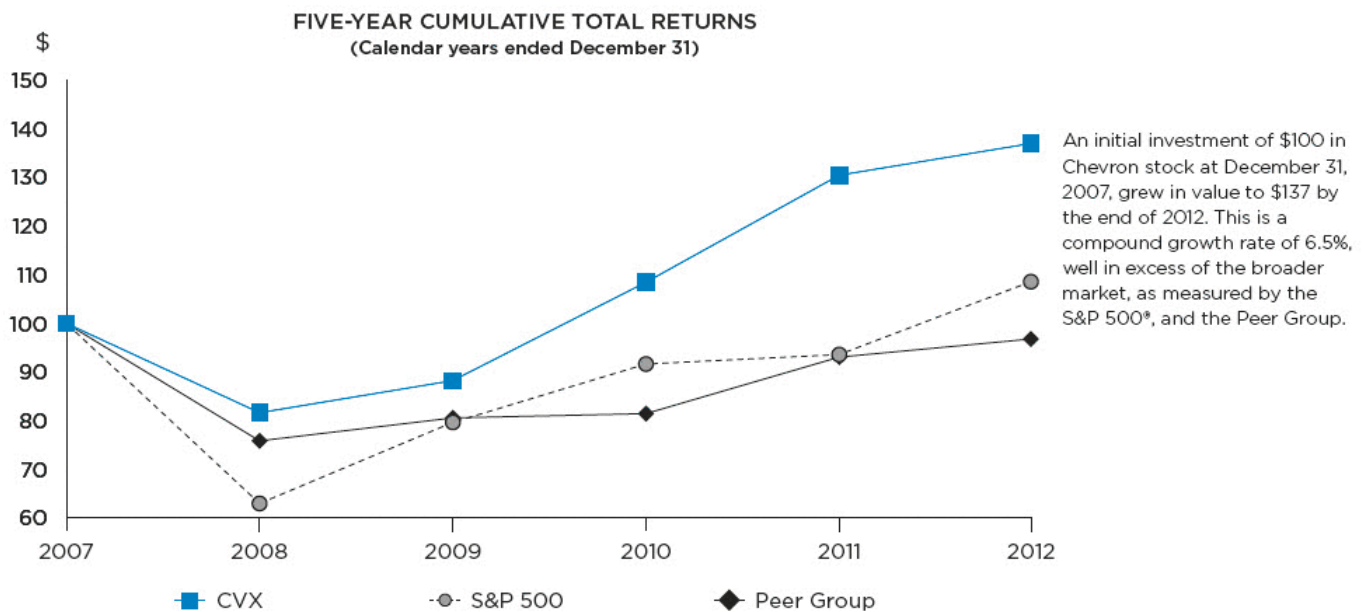
Objectives of Our Executive Compensation Program

The overarching objective of our executive compensation program is to attract and retain seasoned management who will deliver long-term stockholder value. Our success is driven by our people.

The global energy business is the largest industry in the world and is very competitive. As measured by net income, four out of the top 10 global companies operate in this business segment. The lead times and project life spans in our business are generally very long. The development cycle of a large, major capital project, from exploration to first production, can be 10 years or longer. Equally important, the productive life spans of our assets can be very long — several decades in most cases and in excess of 100 years for some producing fields.

Accordingly, we have geared our compensation programs to reward career employees. This reflects the fact that the productive life of our asset base spans generations of employees and that the development cycle of many current investment projects are longer than an NEO's tenure in a particular executive position.

Our management and employees have consistently delivered superior long-term stockholder returns. The stock performance graph that follows shows how an investment in Chevron common stock would have outperformed an equal investment in either the S&P 500 Index or a hypothetical portfolio of Peer Group equity securities ("Peer Group" defined as BP, ExxonMobil, Royal Dutch Shell and Total for purposes of this graph only) over a five-year period ending December 31, 2012.



The comparison includes the reinvestment of all dividends and is adjusted for stock splits, if any. The relative weightings of constituent equity securities assumed for the Peer Group hypothetical portfolio match the relative market capitalizations of the Peer Group Companies as of the beginning of each year.

Our Pay Philosophy

Our compensation programs have been designed with several important values in mind. These include:

- structuring our compensation programs in a manner that ensures strong alignment between the interests of our stockholders, the Company, and our employees and executives;
- paying for performance;
- paying competitively, across all salary grades and across all geographies;
- applying compensation program rules in a manner that is internally consistent; and
- being metrics-driven and properly balanced in both our emphasis on short-term and long-term objectives and our use of measures based on absolute performance, relative performance against industry peers, historical performance and progress on key business initiatives.

Components of Compensation

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

	REWARD ELEMENT	FORM	PURPOSE	VALUATION PARAMETERS
FIXED	Base Salary	Cash	Provide a fixed level of competitive base pay to help us attract and retain strong executive talent through a full career	<p>Base salary for the CEO is determined by the MCC, in consultation with its independent consultant. The objective is to pay competitively and reward individual performance. Competitiveness is assessed using market data on the pay practices and ranges of CEO pay for peer companies in both the oil and non-oil industries.</p> <p>The assessment for other NEOs follows a similar pattern, utilizing market data where available to assess base salary competitiveness and acknowledging salary grade differences and individual performance assessments as conducted by the CEO and the MCC.</p>
	Chevron Incentive Plan (CIP)	Cash	Reward NEOs for annual Company, business unit and individual performance	This annual cash bonus is designed to recognize yearly performance achievements. Annual operating and financial results figure prominently into this assessment, along with demonstrated progress on key business initiatives (typically resource capture or asset development).
AT RISK	Long-Term Incentive Plan (LTIP)	<ul style="list-style-type: none"> - Stock Options - Performance Shares - Restricted Stock Units 	Reward creation of long-term stockholder value	<p>The key objective of these awards is to reward performance that drives stockholder value over the long term.</p> <p>The value of these awards is directly tied to stock price performance and therefore directly aligned with stockholder interests. These awards are the largest component of NEO compensation.</p> <p>Stock options have value only to the extent that Chevron's stock price increases after the grant date. With poor performance, they can expire worthless.</p> <p>Performance shares capture value in direct proportion to the extent that Chevron's total shareholder return (TSR) (over a three-year period) exceeds the TSR of the peer group. With poor performance, they can be rendered worthless.</p> <p>Restricted stock units hold value in direct proportion to Chevron's stock price.</p>
	Retirement Plans / Savings Plans	Lump Sum or Annuity Savings Plan	Provide retirement benefits designed to achieve a base level of replacement pay upon retirement	<p>Chevron offers defined benefit retirement plans designed to encourage career employment. The benefits get progressively larger with additional service and age, for retention and reward purposes.</p> <p>Savings Plans participants contribute a percentage of their annual compensation (base salary plus bonus) and are then eligible for a Company matching contribution.</p>
BENEFITS				

The majority of executive pay opportunity comes from long-term incentives, typically awarded as 60 percent stock options and 40 percent performance shares. The LTIP awards derive value directly from the Company's stock price appreciation, which is in total alignment with stockholder interests.

Pay-for-Performance Framework

Use of Peer Groups

We are always competing for the best talent with our direct industry peers and with the broader market. Accordingly, the MCC regularly reviews the market data, pay practices and ranges of specific comparator (“peer”) companies to ensure that we continue to offer a relevant and competitive executive pay program each year. We use two key groups for our evaluations: oil industry and non-oil industry.

Peer Group	Description	Purpose	Source
Oil Industry (13 companies)	Represents companies with substantial U.S. or global operations that most nearly approximate the size, scope and complexity of our business or segments of our business.	To understand how each NEO’s total compensation compares with the total compensation for reasonably similar positions at these companies.	Gathered from the Oil Industry Job Match Survey, an annual survey published by Towers Watson, and from these companies’ proxy statements or other public disclosures.
Non-Oil Industry (22 companies)	Represents companies of significant financial and operational size whose products are primarily commodities and that have, among other things, global operations, significant assets and capital requirements, long-term project investment cycles, extensive technology portfolios, an emphasis on engineering and technical skills, and extensive distribution channels.	To periodically compare our overall compensation practices (and those of the oil and energy industry, generally) against a broader mix of companies to ensure that our compensation practices are reasonable when compared with non-energy companies that are similar to Chevron in size, complexity and scope of operations.	Gathered from the Total Compensation Measurement Database, a proprietary source of compensation and data analysis developed by Aon Hewitt.

Oil Industry Peer Group (IN ORDER OF DECREASING MARKET CAPITALIZATION)

Company Name	Company Ticker	Market Cap (\$ Millions)	Sales and Other	Net Income
			Operating Revenues ⁽¹⁾ (\$ Millions)	(\$ Millions)
		12/31/12	FY 2012	FY 2012
ExxonMobil Corporation	XOM	389,648	420,714	44,880
Royal Dutch Shell plc	RDSA	217,490	467,153	26,592
Chevron Corporation	CVX	210,516	222,580	26,179
BP plc	BP	132,691	375,580	11,993
ConocoPhillips	COP	70,749	57,967	8,428
Occidental Petroleum Corporation	OXY	61,710	24,172	4,598
Anadarko Petroleum Corporation	APC	37,229	13,307	2,391
Phillips 66	PSX	33,110	166,089	4,124
Marathon Oil Corporation	MRO	21,677	15,688	1,582
Devon Energy Corporation	DVN	21,128	8,809	(206)
Marathon Petroleum Corporation	MPC	20,979	76,534	3,389
Valero Energy Corporation	VLO	18,837	138,286	2,083
Hess Corporation	HES	17,934	37,691	2,025
Tesoro Corporation	TSO	6,071	32,484	743

(1) Excludes excise, value-added and similar taxes

The Oil Industry Peer Group companies most similar to Chevron in size, complexity, geographic reach, business lines and location of operations are ExxonMobil, BP and Royal Dutch Shell. These companies are key competitors for stockholder investments within the larger global energy sector. We also compete for stockholder interest with smaller companies, including the larger independent exploration and production companies (ConocoPhillips, Occidental, Anadarko, etc.) and the larger independent refining and marketing companies (Valero, Tesoro, etc.). We compete with all of these companies for executive talent.

Non-Oil Industry Peer Group (IN ORDER OF DECREASING MARKET CAPITALIZATION)

Company Name	Company Ticker	Market Cap (\$ Millions)	Sales and Other Operating	
			Revenues ⁽¹⁾ (\$ Millions)	Net Income (\$ Millions)
		12/31/12	FY 2012	FY 2012
General Electric Company	GE	218,414	100,149	13,641
International Business Machines Corporation	IBM	214,032	102,467	16,604
Chevron Corporation	CVX	210,516	222,580	26,179
Johnson & Johnson	JNJ	194,772	67,224	10,853
AT&T, Inc.	T	188,136	114,652	7,264
Pfizer Inc.	PFE	182,477	58,986	14,570
Merck & Co. Inc.	MRK	123,910	47,267	6,168
Verizon Communications Inc.	VZ	123,690	115,846	875
Pepsico, Inc.	PEP	105,656	65,492	6,178
Intel Corporation	INTC	101,945	53,341	11,005
3M Company	MMM	63,796	29,904	4,444
Caterpillar Inc.	CAT	58,698	63,068	5,681
The Boeing Company	BA	56,942	81,698	3,900
Ford Motor Co.	F	50,793	126,567	5,665
Honeywell International Inc.	HON	49,684	37,665	2,926
Duke Energy Corporation	DUK	44,915	19,158	1,768
The Dow Chemical Company	DOW	38,902	56,786	1,182
Lockheed Martin Corporation	LMT	29,625	47,182	2,745
Hewlett-Packard Company ⁽²⁾	HPQ	27,970	119,895	(12,650)
American Electric Power Co., Inc.	AEP	20,728	13,677	1,259
International Paper Company	IP	17,525	27,833	794
Northrop Grumman Corporation	NOC	16,166	25,218	1,978
Alcoa Inc.	AA	9,263	23,700	191

(1) Excludes excise, value-added and similar taxes

(2) Hewlett-Packard's fiscal year ends on October 31. Accordingly, market capitalization reflects October 31, 2012, shares outstanding and December 31, 2012, stock price.
Sales and Other Operating Revenues and Net Income both reflect the fiscal year ended October 31, 2012.

How Compensation Is Delivered

Our compensation program is designed to collectively deliver competitive pay in the current year (base salary plus CIP awards) and in future years (LTIP awards) based on the longer-term — largely stock price — performance of the Company. For NEOs, primary emphasis is on long-term, at-risk compensation, i.e., LTIP awards such as stock options, performance shares and, from time to time, restricted stock units, the value of which move in direct alignment with returns provided to our stockholders.

- Stock options have value only if Chevron's stock price advances above the grant-day price.
- Performance shares capture value in direct proportion to Chevron's relative ranking versus designated industry peers on total shareholder return (TSR) (price appreciation plus dividends).
- Restricted stock units, which are used infrequently, hold value in direct proportion to Chevron's stock price.

Stock options can be rendered worthless if the Company's stock price falls below the grant-day price. Performance shares can be rendered worthless if Chevron ranks last in TSR for the designated three-year performance period.

Below we describe in detail the material components of our compensation program for our NEOs: John S. Watson (Chairman and Chief Executive Officer); Patricia E. Yarrington (Vice President and Chief Financial Officer); George L. Kirkland (Vice Chairman and Executive Vice President); Michael K. Wirth (Executive Vice President); and R. Hewitt Pate (Vice President and General Counsel).

Base Salary

Base salary is a fixed, competitive component of pay, based on responsibilities, skills and experience. Base salaries are reviewed periodically in light of market practices and changes in responsibilities.

How the CEO's Base Salary Is Determined

The MCC's independent consultant reviews and reports to the MCC on the relationship of Mr. Watson's base salary to that of his peers in our Oil Industry and Non-Oil Industry Peer Groups. The MCC does not have a predetermined target or range within the Oil Industry Peer Group or Non-Oil Industry Peer Group as an objective for Mr. Watson's base salary. Instead, the MCC exercises its discretion, taking into account the data provided by the MCC's independent consultant, the relative size, scope and complexity of our business, Mr. Watson's performance, and the aggregate amount of Mr. Watson's compensation package. After considering the totality of these elements, the MCC makes a recommendation to the independent Directors, and the independent Directors determine Mr. Watson's base salary.

How the Other NEOs' Base Salaries Are Determined

For our other NEOs, base salary is a function of two things: the NEO's assigned base salary grade and individual qualitative considerations, such as individual performance, experience, skills, competitive positioning, retention objectives and leadership responsibilities relative to other NEOs.

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

Each NEO is assigned to a base salary grade. Each grade has a base salary minimum, midpoint and maximum that constitute the salary range for that grade, except for the CEO and Vice Chairman positions, which do not have salary grade ranges because they are single incumbent positions. Salary grades and the appropriate salary ranges are determined through market surveys of positions of comparable level, scope, complexity and responsibility. The MCC annually reviews the base salary grade ranges and may approve increases in the ranges if it determines that adjustments are necessary to maintain competitiveness.

Adjustments in 2012 Base Salaries

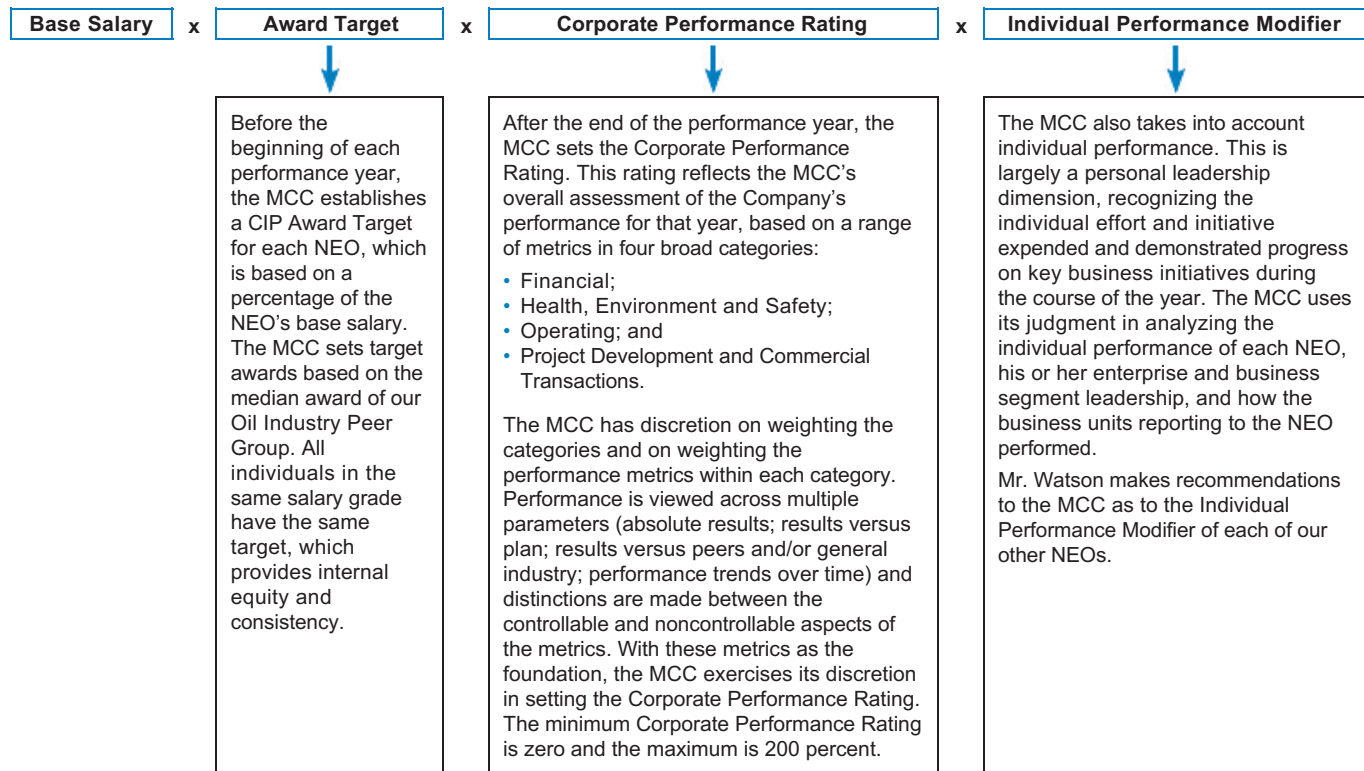
The MCC adjusted our NEOs' base salaries in 2012 as follows:

NEO	Position	2011 Base Salary	2012 Base Salary	Adjustment for 2012
John Watson	Chairman and CEO	\$ 1,600,000	\$ 1,700,000	6.25%
George Kirkland	Vice Chairman and Executive Vice President of Upstream	\$ 1,300,000	\$ 1,400,000	7.7%
Mike Wirth	Executive Vice President, Downstream	\$ 955,000	\$ 1,000,000	4.9%
Pat Yarrington	Vice President and Chief Financial Officer	\$ 860,000	\$ 930,000	8.1%
Hew Pate	Vice President and General Counsel	\$ 739,000	\$ 781,000	5.7%

The MCC determined that these adjustments were appropriate to maintain compensation competitiveness in base salary structure and in light of each NEO's 2012 individual performance highlights noted below.

Chevron Incentive Plan (CIP)

The CIP is designed to recognize yearly performance achievements. Annual operating and financial results figure prominently into this assessment, along with demonstrated progress on key business initiatives. Individual leadership is also recognized through this award. The award is delivered as an annual cash bonus based on a percentage of base salary and calculated as follows:



2012 CIP Results — Corporate Performance Rating

Our annual performance metrics are reviewed in comparison to prior years, current year plans and the results of our peer companies. The MCC also reviews actual annual cash award payments for the prior year for Chevron and our Oil Industry Peer Group, compared with actual business performance for Chevron and for our Oil Industry Peer Group. This comparison assures that our process for determining the Corporate Performance Rating is consistent with our peer group and that actual awards are consistent with both Chevron performance and performance relative to our peers.

The MCC set a Corporate Performance Rating of 150 percent for 2012. This overall Rating is based on the following assessment of Chevron's 2012 performance.

2012 Performance

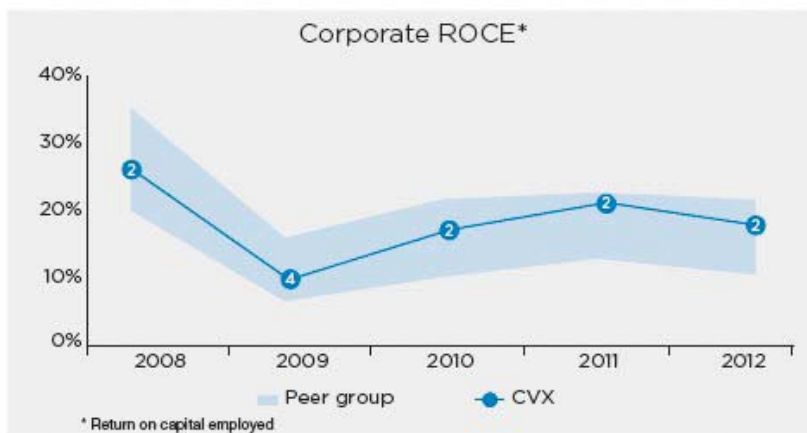
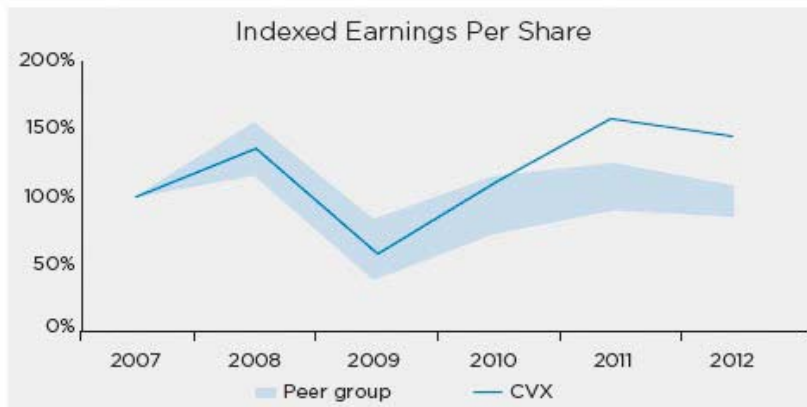
2012 was a strong performance year for the Company.

We continued to lead the industry in many financial and safety performance measures. We advanced our major capital projects and remained on track to meet our goal of 3.3 million barrels of daily oil-equivalent production by 2017. We also continued to add opportunities to our portfolio that we believe will add momentum to our growth prospects beyond 2017.

Below we highlight the Company's performance in four broad categories and compared with ExxonMobil, BP, Royal Dutch Shell and Total over the past five years ("peer group," for these highlights only). In these graphs, earnings have been adjusted to exclude externally disclosed, significant impacts or activities that are not representative of underlying business operations, such as divestitures, asset impairments and restructurings. We present a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures in Appendix A to this Proxy Statement.

Financial Highlights

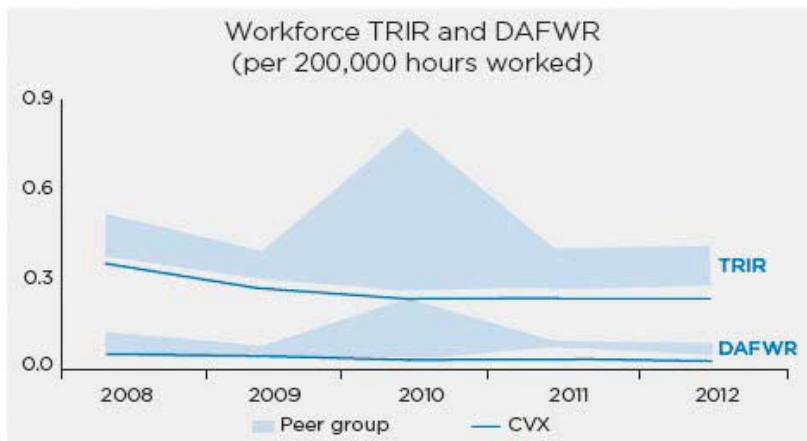
- Achieved earnings of \$26.2 billion, second highest in the Company's history
- Posted a return on capital employed of 17 percent, second best in the peer group
- Increased the quarterly dividend 11 percent, the 25th consecutive annual increase
- Led the peer group in total shareholder return for five-year and 10-year periods
- Led the peer group on rolling five-year earnings per share growth for the third consecutive year



* Return on capital employed

Health, Environment and Safety Highlights

- Achieved industry-best performance on Days Away from Work injury rates (DAFWR)
- Achieved industry-best performance on Total Recordable Incident rates (TRIR)
- Lowered volume of spills, posting the best Company performance ever
- Reduced Tier 1 Loss of Containment events (i.e., unplanned or uncontrolled release of material from primary containment that results in a serious outcome)
- Incurred process fires at rate unchanged from 2011
- Incurred higher number of fatalities than 2011



Operating Highlights

- Led the industry in earnings per barrel in our Upstream segment (third consecutive year)
- Led the industry in cash margins per barrel in our Upstream segment (fourth consecutive year)
- Achieved a 112 percent reserves replacement ratio for 2012, 101 percent for the three-year period, 112 percent for the five-year period
- 2012 production impacted by delayed startup of an LNG plant in Angola and the precautionary shut-in of the Frade Field offshore Brazil
- Ranked No. 2 in earnings per barrel in our Downstream segment
- Successfully completed three-year Downstream restructuring plan and achieved a 10 percent improvement in Downstream returns as a result of direct actions taken by the Company in selling nonstrategic or underperforming assets, simplifying operations, and reducing costs
- Improved refinery utilization rates over 2011, despite incident at the Richmond, California, refinery





Project Development and Commercial Transaction Highlights

Significant progress was made throughout the year on important capital projects.

For Upstream, three major capital projects successfully started up — Agbami 2 in Nigeria and Tahiti 2 and Caesar Tonga in the Gulf of Mexico. An additional project to expand capacity of the Caspian Pipeline, which is a key enabler of further production growth at TengizChevroil in Kazakhstan, advanced satisfactorily through the year. Progress was also made on four other key projects that underpin our production growth out to 2017:

- Gorgon LNG (Australia) — now scheduled for first LNG in first quarter 2015; about 55 percent complete at year-end; now operating with an increased budget because of currency impacts and higher labor and logistics costs than originally projected
- Wheatstone LNG (Australia) — scheduled for first LNG in late 2016; began site preparations
- Jack/St. Malo (Gulf of Mexico) — scheduled for first production in 2014; on schedule and on budget
- Big Foot (Gulf of Mexico) — scheduled for first production in 2014; on schedule and on budget

In the Downstream segment, the Heavy Oil Upgrader project at GS Caltex's Yeosu, South Korea, refinery was 97 percent complete at year-end, with startup planned for early 2013 (several months ahead of schedule). The Pascagoula Base Oil Plant was also under construction at year-end, on schedule and on budget.

In addition to progress on these key capital projects, we made several resource additions and concluded several commercial transactions that served to strengthen our portfolio and provide future development opportunities. Highlights include acquiring a 50 percent interest in Kitimat LNG (British Columbia, Canada), entering several countries with exploration potential (Suriname, Sierra Leone, Lithuania, Ukraine, South Africa) and purchasing new acreage in the Delaware Basin (New Mexico). The Company also successfully exchanged its stake in the Australia Browse LNG development for cash and increased equity in exploration acreage in the Carnarvon Basin (Australia), acreage we believe could yield additional gas resources to underpin further expansion at our Australian LNG facilities.

Executive Compensation Awards for 2012 Performance Year

The MCC and independent Directors of the Board assessed multiple parameters in making compensation awards based on 2012 performance. As outlined earlier, these include achievement of both short-term and long-term objectives, and absolute, historical and relative competitive performance of the Company against industry peers. In the MCC's and the independent Directors' assessment, the following CIP and LTIP awards demonstrate the crucial connection between pay and performance, reinforce management's accountability for the full spectrum of operating results, and support the objective of attracting and retaining seasoned management who will deliver long-term stockholder value.

2012 CIP Results — Individual Performance Highlights

NEO	Performance Highlights
John Watson	<ul style="list-style-type: none"> • Second-highest earnings in the Company's history; strong per share earnings growth and total shareholder return performance versus industry peers • Development and implementation of value-creating strategies, investments and commercial transactions • Top tier safety performance and significant personal leadership around process safety; overall results adversely impacted by certain operating incidents
George Kirkland	<ul style="list-style-type: none"> • Competitor-leading performance in Upstream earnings per barrel, cash margins per barrel and segment return on capital employed (ROCE) • Significant portfolio additions of producing and prospective acreage • Strong base business and reservoir management results • Otherwise industry-leading safety performance adversely impacted by an operating incident
Mike Wirth	<ul style="list-style-type: none"> • Second-highest Downstream and chemical earnings • Overall strong refinery reliability; results adversely impacted by an operating incident • Completed three-year restructuring and captured greater benefits than originally planned
Pat Yarrington	<ul style="list-style-type: none"> • Outstanding internal controls performance • Excellent cash and balance sheet management, as reflected by key financial decisions • Very effective relationship development and maintenance with the investor and finance communities
Hew Pate	<ul style="list-style-type: none"> • Continued reduction in outstanding litigation docket through successful case resolution • Outstanding management of international cases and other major litigation matters • Effective support of major transactions and commercial activity

2012 CIP Results

Mr. Watson received an award of \$3,480,000. This amount reflects the amount of his base salary (\$1,700,000) multiplied by his CIP Award Target percentage of 130 percent multiplied by the Corporate Performance Rating of 150 percent, resulting in an award of \$3,315,000. The remaining \$165,000 of Mr. Watson's award is attributable to the MCC's and independent Directors' assessment of his individual performance, as described above.

Mr. Kirkland received an award of \$2,200,000. This amount reflects the amount of his base salary (\$1,400,000) multiplied by his CIP Award Target percentage of 100 percent multiplied by the Corporate Performance Rating of 150 percent, resulting in an award of \$2,100,000. The remaining \$100,000 of Mr. Kirkland's award is attributable to the MCC's and independent Directors' assessment of his individual performance, as described above.

Mr. Wirth received an award of \$1,260,000. This amount reflects the amount of his base salary (\$1,000,000) multiplied by his CIP Award Target percentage of 80 percent multiplied by the Corporate Performance Rating of 150 percent, resulting in an award of \$1,200,000. The remaining \$60,000 of Mr. Wirth's award is attributable to the MCC's and independent Directors' assessment of his individual performance, as described above.

Ms. Yarrington received an award of \$1,339,200. This amount reflects the amount of her base salary (\$930,000) multiplied by her CIP Award Target percentage of 80 percent multiplied by the Corporate Performance Rating of 150 percent, resulting in an award of \$1,116,000. The remaining \$223,200 of Ms. Yarrington's award is attributable to the MCC's and independent Directors' assessment of her individual performance, as described above.

Mr. Pate received an award of \$948,900. This amount reflects the amount of his base salary (\$781,000) multiplied by his CIP Award Target percentage of 75 percent multiplied by the Corporate Performance Rating of 150 percent, resulting in an award of \$878,625. The remaining \$70,275 of Mr. Pate's award is attributable to the MCC's and independent Directors' assessment of his individual performance, as described above.

Long-Term Incentive Plan (LTIP)

The key objective of our LTIP awards is to encourage performance that drives stockholder value over the long-term. The LTIP awards give our NEOs a meaningful equity stake in the business, an equity stake that vests over time. The value of an NEO's LTIP award at grant time is determined by the MCC with input from its independent compensation consultant, using data from industry peer compensation comparisons. The objective is to ensure Chevron is competitive against key industry peers on total compensation (cash plus equity), after allowing for appropriate distinctions based on size, scale, scope and job responsibilities.

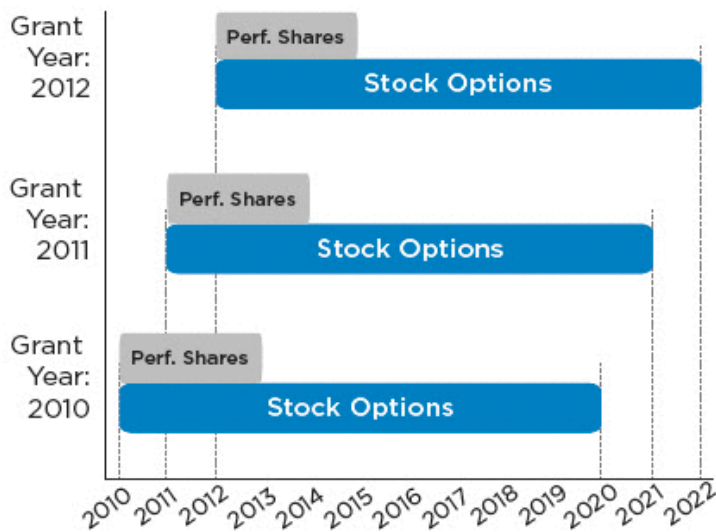
Our LTIP awards typically consist of two equity components:

Component	Weight	How It Works
Stock Options ¹	60%	<ul style="list-style-type: none"> Strike price is equal to the closing stock price on the grant date Vest and become exercisable one-third per year based on continued service for the first three years and expires 10 years after the grant date Gain realized by an executive depends on the stock price at the exercise date compared with the strike price Actual number of shares granted is determined by dividing 60% of the value of the NEO's LTIP award by an estimated Black-Scholes option value
Performance Shares ²	40%	<ul style="list-style-type: none"> Payout is dependent on Chevron's total shareholder return (TSR) over a three-year period, compared with our principal oil industry peers (i.e., ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips)³ Payout can vary from 0% to 200% of the target number of shares, depending on this relative TSR ranking A 200% payout is earned only if Chevron's TSR is better than all of our performance peers A 0% payout is earned if Chevron's TSR is last relative to all other performance peers Actual number of shares granted is determined by dividing 40% of the value of the NEO's LTIP award by Chevron's 90-day trailing average stock price Payment is made in cash

- 1 We report the value of each NEO's 2012 stock option exercises in the "Option Exercises and Stock Vested in Fiscal Year 2012" table in this Proxy Statement.
- 2 We report the value of each NEO's 2012 performance share payout in the "Option Exercises and Stock Vested in Fiscal Year 2012" table in this Proxy Statement.
- 3 For awards granted after January 1, 2012, Total will replace ConocoPhillips in our principal oil industry peers for purposes of determining performance shares payout.

From time to time, the Board may approve the grant of restricted stock units for special retention or incentive purposes.

We use LTIP awards because they are directly linked to stockholder returns. To have value, stock options require increases in Chevron stock price. Performance shares require Chevron to provide greater stockholder returns than our principal oil industry peers. Because grants are made each year based on the stock price at that time, executives continue to realize value from these compensation elements only if stockholder returns are sustained over a long period.



A Closer Look at Performance Shares: Why Total Shareholder Return (TSR)?

The value of the performance share payout depends on how our TSR ranks relative to that of our principal oil industry peers over a three-year performance period. TSR combines stock price appreciation and dividends paid, to show the total return to stockholders, expressed as an annualized percentage. The calculation assumes that dividends are reinvested in additional shares. The three-year period tracks the average holding period our key institutional investors typically hold a stock (three to four years).

TSR is a standard metric for stockholders to use in measuring Company performance. It easily allows for meaningful comparisons of our performance relative to other companies within our same industry. It also allows for easy comparison with our stockholders' other investment alternatives.

Depending on our TSR rank compared with that of our principal oil industry peers, the payout is calculated as follows:

Our Relative TSR Rank	Payout as a Percentage of Target
1	200%
2	150%
3	100%
4	50%
5	0%

Performance share payouts reported in the "Option Exercises and Stock Vested in Fiscal Year 2012" table in this Proxy Statement relate to performance shares granted in January 2010. For the three-year performance period ending December 31, 2012, Chevron ranked second in TSR among the five companies in the peer group. This resulted in a payout of 150 percent of target.

For awards granted after January 1, 2011, the MCC may, in its discretion, adjust the cash payout of performance shares downward if it determines that business or economic considerations warrant such an adjustment.

Performance shares awarded in January 2012 are not eligible for payout (if any) until expiration of the three-year performance period on December 31, 2014.

Additional details about performance share payouts can be found in the footnotes to the "Option Exercises and Stock Vested in Fiscal Year 2012" table in this Proxy Statement.

2012 LTIP Grants

In the "Summary Compensation Table" and the "Grants of Plan-Based Awards in Fiscal Year 2012" table in this Proxy Statement, we report the value and terms of the following LTIP awards granted in early 2012 to each NEO.

- **The CEO.** In determining the value of an annual LTIP award for the CEO, the MCC relies upon input from our independent consultant and the data from the Oil Industry Peer Group. The CEO's grant is based on the size, scope and complexity of our business, as well as Mr. Watson's performance. The MCC does not, however, fix predetermined targets for award values. On January 25, 2012, the MCC recommended, and the independent Directors of the Board approved, an annual LTIP award for Mr. Watson as follows:

Stock Options	Performance Shares	LTIP Value at Grant Date
420,000	66,000	\$ 16.90 MM

- **NEOs other than the CEO.** For NEOs other than the CEO, the value of an annual LTIP award is a function of the NEO's salary grade. At the beginning of the performance year, the MCC sets the annual LTIP award value for each salary grade, which is generally the median of the value of LTIP awards to persons in similar positions at companies in our Oil Industry Peer Group. The MCC does not, however, fix predetermined targets for award values. On January 25, 2012, the MCC approved annual LTIP awards for each of the NEOs other than the CEO, as follows:

NEO	Stock Options	Performance Shares	LTIP Value at Grant Date
George Kirkland	175,000	27,500	\$ 7.04 MM
Mike Wirth	105,000	17,000	\$ 4.28 MM
Pat Yarrington	105,000	17,000	\$ 4.28 MM
Hew Pate	78,000	12,000	\$ 3.11 MM

All NEOs, including Mr. Watson, have held their stock options 6.5 years on average.

2013 LTIP Grants

Below, we report the value and terms of the following LTIP awards granted in early 2013 to each NEO.

CEO

Stock Options ⁽¹⁾	Performance Shares ⁽²⁾	LTIP Value at Grant Date ⁽³⁾
377,000	47,000	\$ 15.04 MM

NEO	Stock Options ⁽¹⁾	Performance Shares ⁽²⁾	LTIP Value at Grant Date ⁽³⁾
George Kirkland	149,000	21,500	\$ 6.38 MM
Mike Wirth	93,000	12,400	\$ 3.82 MM
Pat Yarrington	103,000	13,500	\$ 4.19 MM
Hew Pate	77,500	10,200	\$ 3.16 MM

(1) Stock options have an exercise price equal to the closing price of Chevron common stock on the grant date. For Mr. Watson, all options at \$116.45 per share (January 30, 2013); for Mr. Kirkland 135,000 options at \$116.45 per share (January 30, 2013) and 14,000 options at \$120.19 per share (March 27, 2013); for Mr. Wirth 90,000 options at \$116.45 per share (January 30, 2013) and 3,000 options at \$120.19 per share (March 27, 2013); for Ms. Yarrington and Mr. Pate, all options at \$116.45 per share (January 30, 2013). Stock options have a 10-year term and vest 33.33% at each anniversary of the date of grant over three years. Stock options do not accrue dividends or dividend equivalents.

(2) Performance shares are paid in cash, and the payout, if any, will occur at the end of the three-year performance period (January 2013 through December 2015) and will be calculated in the manner described in Footnote 2 to the "Option Exercises and Stock Vested in Fiscal Year 2012" table in this Proxy Statement. Performance shares do not accrue dividends or dividend equivalents.

(3) Reflects the aggregate grant date fair value of stock options and performance shares. We calculate the grant date fair value of these awards in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation (ASC Topic 718). For purposes of presentation here, estimates of forfeitures for service-based vesting conditions have been disregarded. For stock options granted in January and March 2013, the fair market value was measured on the date of grant using the Black-Scholes option-pricing model, with the following weighted-average assumptions:

	January 2013	March 2013
Expected term in years (based on historical exercise and post-vesting cancellation data)	6.0	6.0
Volatility (based on historical stock prices over an appropriate period, generally equal to expected term)	31.3%	31.2%
Risk-free interest rate (based on zero coupon U.S. treasury note)	1.19%	1.05%
Dividend yield	3.33%	3.29%
Weighted-average fair value per option granted	\$24.48	\$25.02

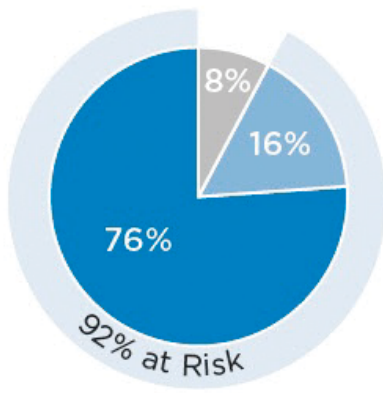
For performance shares, the fair market value was measured using a Monte Carlo approach and as described generally in Footnote 2 to the "Summary Compensation Table" in this Proxy Statement. For performance shares granted in January 2013, the per share grant-date fair value was \$123.57 and for performance shares granted in March 2013, the per share grant-date fair value was \$158.08.

Significant Pay at Risk

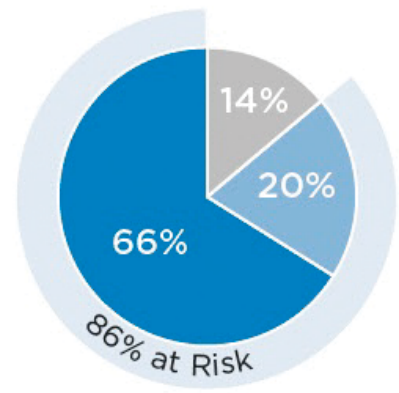
Approximately 90 percent of the total direct compensation (base salary, CIP and LTIP) delivered to our CEO and NEOs is at risk. By "at risk," we mean there is no guarantee that the compensation values expected at the time individual awards were granted will be realized. The MCC has complete discretion to severely restrict, and even score at zero, the Corporate Performance Rating and Individual Performance Modifier for the annual cash bonus program (CIP). Stock options can expire worthless, if the Company has not performed well and if stock price appreciation has not occurred within 10 years of the grant date. Performance share awards can be zero as well, if Chevron ranks last on relative total shareholder return (TSR) for any given three-year period. Lastly, restricted stock units can deteriorate markedly in value from the grant date, if Chevron performs poorly. Therefore, for the NEOs to sustain competitive pay relative to industry peers, Chevron must show sustained competitive performance and Chevron's stockholders must be rewarded with competitive TSR returns. This "at risk" feature demonstrates management's alignment with stockholders' interests.

In 2012, the portion of Mr. Watson's total compensation that was at risk, along with the other NEOs, is illustrated as follows:

CEO COMPENSATION MIX



NEO COMPENSATION MIX



■ Base Salary

■ Chevron Incentive Plan (CIP)

■ Long-Term Incentive Plan (LTIP)

Our executive pay program is competitive with peer practices and rewards executives for Company performance in the short and long term.

Retirement Programs and Other Benefits

NEOs, like all other employees, have retirement programs and other benefits as part of their overall compensation package at Chevron. We believe that these programs and benefits:

- support our long-term business cycle;
- complement our career employment model; and
- encourage retention and long-term employment.

Retirement Programs

All of our employees, including our NEOs, have access to retirement programs that are designed to allow them to accumulate retirement income for the future. These programs include defined benefit (pension) and defined contribution (401(k) savings) plans, as well as other plans, which allow highly compensated employees to receive the same benefits they would have earned without the IRS limitations on qualified retirement plans under ERISA.

Plan Name	Plan Type	How It Works	What's Disclosed
Chevron Retirement Plan (CRP)	Qualified Defined Benefit (IRS §401(a))	Participants are eligible for a pension benefit when they leave the Company as long as they meet age, service and other provisions under the plan.	In the "Summary Compensation Table" and "Pension Benefits Table," we report the change in pension value in 2012 and the present value of each NEO's accumulated benefit under the CRP. The increase in pension value is not a current cash payment. It represents the increase in the value of the NEOs' pensions, which are paid only after retirement.
Chevron Retirement Restoration Plan (RRP)	Non-Qualified Defined Benefit	Provides participants with retirement income that cannot be paid from the CRP due to IRS limits on compensation and benefits. ¹	In the "Pension Benefits Table" and accompanying narrative, we describe how the RRP works and present the current value of each NEO's accumulated benefit under the RRP.
Employee Savings Investment Plan (ESIP)	Qualified Defined Contribution (IRS §401(k))	Participants who contribute a percentage of their annual compensation (i.e., base salary and CIP award) are eligible for a Company-matching contribution, up to annual IRS limits. ²	In the footnotes to the "Summary Compensation Table," we describe Chevron's contributions to each NEO's ESIP account.
Employee Savings Investment Plan Restoration Plan (ESIP-RP)	Non-Qualified Defined Contribution	Provides participants with an additional Company-matching contribution that cannot be paid into the ESIP due to IRS limits on compensation and benefits. ³	In the "Nonqualified Deferred Compensation Table," and accompanying narrative, we describe how the ESIP-RP works and Chevron's contributions to each NEO's ESIP-RP account.
Deferred Compensation Plan (DCP)	Non-Qualified Defined Contribution	Participants can defer up to: <ul style="list-style-type: none"> • 90% of CIP awards and LTIP performance share awards • 40% of base salary above the IRS limit (IRS §401(a)(17)) for payment after retirement or separation from service. 	In the "Nonqualified Deferred Compensation Table," we report the aggregate NEO deferrals and earnings in 2012.

1 Employees whose compensation exceeds the limits established by the IRS for covered compensation and benefit levels. The 2012 IRS limit is \$250,000.

2 Participants who contribute at least 2% of their annual compensation to the ESIP receive a Company-matching contribution of 8% (or 4% if they contribute 1%).

3 Participants who contribute at least 2% of their annual compensation to the Deferred Compensation Plan receive a Company-matching contribution of 8% of their base salary that exceeds the IRS limit.

Benefit Programs

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

Perquisites

Perquisites for NEOs are limited and consist principally of financial counseling fees, executive physicals, home security, and the aggregate incremental costs to Chevron for personal use of Chevron automobiles and aircraft. The MCC periodically reviews our policies with respect to perquisites. In the "Summary Compensation Table" in this Proxy Statement, we report the value of each NEO's perquisites for 2012.

Compensation Governance

The MCC works very closely with its independent compensation consultant, Exequity LLP, and management to examine pay and performance matters throughout the year, carefully assessing pay based on progress against business plans, individual performance and contributions, as well as Chevron's performance relative to industry peers. The MCC then applies its judgment to make its decisions. The MCC solicits input from the CEO concerning the performance and compensation of other NEOs. The CEO does not participate in discussions about his own pay; any proposed change to the compensation of the CEO is recommended by the MCC and approved by the independent Directors of the Board.

A complete description of the MCC's authority and responsibility is provided in its charter, which is available on our website at www.chevron.com and in print upon request.

Best-Practice Features

Embedded in our overall compensation program are additional features that strengthen the links between the interests of our NEOs and stockholders.

WE DO	WE DO NOT
✓ Stock ownership guidelines , for CEO, five times base pay; Vice Chairman, Executive Vice Presidents and Chief Financial Officer, four times	✗ Very limited perquisites , all with a specific business rationale
✓ Stock held in deferred accounts is inaccessible until a minimum of one year following termination	✗ No individual Supplemental Executive Retirement Plans
✓ Clawback provisions in the CIP, LTIP, DCP, RRP and ESIP-RP for misconduct	✗ No stock option repricing , reloads or exchange without stockholder approval
✓ Over 90 percent of CEO's pay is at risk	✗ No loans or purchases of Chevron securities on margin
✓ Thorough assessment of performance	✗ No transferability of equity (except in the case of death or a qualifying court order)
✓ Robust succession planning process with Board review twice a year	✗ No stock options granted below fair market value
✓ MCC composed entirely of outside, independent Directors	✗ No hedging in or pledging of Chevron securities
✓ Independent compensation consultant , hired by and reporting directly to the MCC	✗ No change-in-control agreements for NEOs
✓ Negative discretion on performance share payouts for awards granted after January 1, 2011	✗ No tax gross-ups for NEOs
✓ Our CIP and LTIP performance share awards are intended to qualify for deduction (e.g., performance-based) under Section 162(m) of Internal Revenue Code	✗ No golden parachutes or golden coffins for NEOs

Independent Executive Compensation Advice

The MCC retains an independent compensation consultant—Exequity LLP—to assist it with its duties. The MCC has the exclusive right to select, retain and terminate Exequity, as well as to approve any fees, terms or other conditions of its service. Exequity and its lead consultant report directly to the MCC, but when directed to do so by the MCC, work cooperatively with Chevron's management to develop analyses and proposals for the MCC. Exequity provides the following services to the MCC:

- Education on executive compensation trends within and across industries
- Development of compensation philosophy and guiding principles
- Selection of compensation comparator groups
- Identification and resolution of technical issues associated with executive compensation plans, including tax, legal, accounting and securities rules

The MCC is not aware that any work performed by Exequity raised any conflicts of interest.

Stock Ownership Guidelines

We require our NEOs to hold prescribed levels of Chevron common stock, further linking their interests with those of our stockholders.

Position	Ownership Requirements
CEO	Five times base pay
Vice Chairman, Executive Vice Presidents and Chief Financial Officer	Four times base pay
All other executive officers	Two times base pay

Executives have five years to attain their stock ownership guideline. Based upon our closing stock price on December 31, 2012, our CEO had a stock ownership base-salary multiple of 9.5 times, and all other NEOs met their requirement with an average stock ownership base-salary multiple of 7.2 times. The MCC believes these ownership levels provide adequate focus on our long-term business model.

Employment, Severance or Change-in-Control Agreements

In general, we do not maintain employment, severance or change-in-control agreements with our NEOs. Upon retirement or separation from service for other reasons, NEOs are entitled to certain accrued benefits and payments generally afforded other employees. We describe these benefits and payments in the "Pension Benefits Table," "Nonqualified Deferred Compensation Table" and "Potential Payments Upon Termination or Change-in-Control" tables in this Proxy Statement.

In February 2012, Mr. Pate and Chevron mutually terminated his employment agreement described in our 2011 proxy statement in favor of an agreement relating solely to the vesting of Mr. Pate's outstanding equity awards, if any, if Mr. Pate's employment were terminated for any reason on or after August 1, 2019. We describe the effect of this agreement in the footnotes to Mr. Pate's "Potential Payments Upon Termination or Change-in-Control" table in this Proxy Statement.

Compensation Recovery Policies

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

Tax Gross-Ups

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

Tax Deductibility of NEO Compensation

We have designed awards under the CIP and awards under the LTIP (other than awards of restricted stock units or restricted stock that vest solely based on the passage of time) to qualify for deduction under Section 162(m) of the Internal Revenue Code, which permits Chevron to deduct certain compensation paid to our CEO and other three most highly paid executives (excluding the Chief Financial Officer) if compensation in excess of \$1 million is performance-based. The performance-based criteria in both the CIP and the LTIP were reapproved by stockholders in 2009. If Item 4 in this Proxy Statement—"Board Proposal to Approve Amendments to the Long-Term Incentive Plan of Chevron Corporation (LTIP) and the Material Terms of Performance Goals for Performance-Based Awards Under the LTIP"—is approved by stockholders, such approval will constitute reapproval of the performance-based criteria. The MCC intends to continue seeking a tax deduction for all qualifying compensation within the Section 162(m) limits to the extent that the MCC determines it is in the best interests of Chevron and its stockholders to do so.

Summary Compensation Table

The following table sets forth the compensation of our named executive officers, or “NEOs,” for the fiscal years ending December 31, 2012, December 31, 2011 and December 31, 2010. The primary components of each NEO’s compensation are also described in our “Compensation Discussion and Analysis” in this Proxy Statement.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total (\$)
J.S. Watson, Chairman & CEO ⁽⁷⁾	2012	\$ 1,670,833	\$ 7,095,660	\$ 9,807,000	\$ 3,480,000	\$ 9,948,194	\$ 225,435	\$ 32,227,122
	2011	\$ 1,570,833	\$ 5,064,680	\$ 7,221,600	\$ 4,000,000	\$ 6,592,206	\$ 277,397	\$ 24,726,716
	2010	\$ 1,479,167	\$ 3,752,400	\$ 5,535,200	\$ 3,000,000	\$ 2,273,265	\$ 220,496	\$ 16,260,528
P.E. Yarrington, Vice President & Chief Financial Officer	2012	\$ 909,583	\$ 1,827,670	\$ 2,451,750	\$ 1,339,200	\$ 3,785,547	\$ 95,294	\$ 10,409,044
	2011	\$ 842,500	\$ 3,572,160	\$ 2,803,680	\$ 1,425,000	\$ 2,577,459	\$ 67,790	\$ 11,288,589
	2010	\$ 776,667	\$ 1,486,800	\$ 2,197,800	\$ 1,050,000	\$ 1,273,493	\$ 62,133	\$ 6,846,893
G.L. Kirkland, Vice Chairman & Executive Vice President ⁽⁷⁾	2012	\$ 1,370,833	\$ 2,956,525	\$ 4,086,250	\$ 2,200,000	\$ 8,008,957	\$ 132,153	\$ 18,754,718
	2011	\$ 1,270,833	\$ 2,866,800	\$ 4,035,600	\$ 2,600,000	\$ 5,571,418	\$ 168,112	\$ 16,512,763
	2010	\$ 1,191,667	\$ 2,124,000	\$ 3,093,200	\$ 2,150,000	\$ 3,686,572	\$ 116,603	\$ 12,362,042
M.K. Wirth, Executive Vice President	2012	\$ 986,875	\$ 1,827,670	\$ 2,451,750	\$ 1,260,000	\$ 2,196,949	\$ 115,224	\$ 8,838,468
	2011	\$ 938,958	\$ 3,572,160	\$ 2,803,680	\$ 1,500,000	\$ 2,474,409	\$ 89,583	\$ 11,378,790
	2010	\$ 896,667	\$ 2,533,340	\$ 2,197,800	\$ 1,250,000	\$ 862,826	\$ 119,257	\$ 7,859,890
R.H. Pate, Vice President & General Counsel	2012	\$ 768,750	\$ 1,290,120	\$ 1,821,300	\$ 948,900	\$ 145,851	\$ 101,333	\$ 5,076,254
	2011	\$ 725,875	\$ 3,781,500	\$ 2,017,800	\$ 1,075,000	\$ 132,686	\$ 79,711	\$ 7,812,572
	2010	\$ 681,167	\$ 1,132,800	\$ 1,660,560	\$ 850,000	\$ 61,387	\$ 90,205	\$ 4,476,119

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

Name	Salary Effective Date	Salary	Total Salary Deferred Under the DCP
J.S. Watson	April 2012	\$ 1,700,000	\$ 167,083
	April 2011	\$ 1,600,000	\$ 534,083
	January 2010	\$ 1,500,000	\$ 24,683
P.E. Yarrington	April 2012	\$ 930,000	\$ 13,192
	April 2011	\$ 860,000	\$ 337,000
	April 2010	\$ 800,000	\$ 310,667
G.L. Kirkland	April 2012	\$ 1,400,000	\$ 22,417
	April 2011	\$ 1,300,000	\$ 20,517
	January 2010	\$ 1,200,000	\$ 18,933
M.K. Wirth	April 2012	\$ 1,000,000	\$ 14,737
	April 2011	\$ 955,000	\$ 13,879
	January 2010	\$ 900,000	\$ 13,033
R.H. Pate	April 2012	\$ 781,000	\$ 10,375
	April 2011	\$ 739,000	\$ 9,617
	April 2010	\$ 694,000	\$ 8,723

We explain the amount of salary in proportion to total compensation in our “Compensation Discussion and Analysis—How Compensation Is Delivered—Significant Pay At Risk.”

- (2) Amounts for each fiscal year include the aggregate grant date fair value of performance shares granted under the Long-Term Incentive Plan of Chevron Corporation (LTIP). We calculate the grant date fair value of these awards in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation (ASC Topic 718), as described in Note 19, “Stock Options and Other Share-Based Compensation,” to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2012. For purposes of this table only, estimates of forfeitures related to service-based vesting conditions have been disregarded.

For performance shares, the per-share grant date fair value was as follows: \$107.51 for the 2012 grant, \$95.56 for the 2011 grant and \$70.80 for the 2010 grant. We use a Monte Carlo approach to calculate estimated grant date fair value. To derive estimated grant date fair value per share, this valuation technique simulates total shareholder return (TSR) for the Company and our top competitors in our Oil Industry Peer Group (ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips, with Total replacing ConocoPhillips starting with the 2012 grant) using market data for a period equal to the term of the performance period, correlates the simulated returns within the peer group to estimate a probable payout value, and discounts the probable payout value using a risk-free rate for Treasury bonds having a term equal to the performance period. Performance shares are paid in cash, and the cash payout, if any, is based on market conditions at the end of the performance period and calculated in the manner described in Footnote 2 to the “Option Exercises and Stock Vested in Fiscal Year 2012” table, below. The terms of performance shares granted in 2012 are described in the “Grants of Plan-Based Awards in Fiscal Year 2012” table, below.

- (3) Amounts reflect the aggregate grant date fair value for nonstatutory/nonqualified stock options granted under the LTIP. The per-option grant date fair value was as follows: \$23.35 for the 2012 grant, \$21.24 for the 2011 grant and \$16.28 for the 2010 grant. We calculate the grant date fair value of these options in accordance with ASC Topic 718, as described in Note 19, “Stock Options and Other Share-Based Compensation,” to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2012. For purposes of this table only, estimates of forfeitures related to service-based vesting conditions have been disregarded. The terms of stock options granted in 2012 are described in the “Grants of Plan-Based Awards in Fiscal Year 2012” table, below.
- (4) 2012 amounts reflect Chevron Incentive Plan (CIP) awards for the 2012 performance year that were awarded in April 2013. Ms. Yarrington elected to defer 90% of her award, or \$1,205,280, to the Deferred Compensation Plan for Management Employees. See “Compensation Discussion and Analysis—How Compensation Is Delivered—Chevron Incentive Plan (CIP)” for a detailed description of CIP awards.
- (5) 2012 amounts represent the aggregate change in the actuarial present value of the NEO’s pension value for the Chevron Retirement Plan (CRP) and the Chevron Retirement Restoration Plan (RRP) from January 1, 2012, through December 31, 2012, expressed as a lump sum. (The Deferred Compensation Plan (DCP) and ESIP Restoration Plan (ESIP-RP) do not pay above-market or preferential earnings and are not represented in this table.)

2012 increases in the actuarial present value of an NEO’s pension value are attributable to four factors.

First, increases in highest consecutive 36-month average base salary and CIP awards, or highest average earnings (HAE). For Mr. Watson, the impact of HAE is greater than for other NEOs because he has now been CEO for three years, and this is the first time his HAE reflects three years of compensation at the CEO level.

Second, lower interest and discount rate assumptions were used to estimate the value of the benefit. A lower interest rate produces a greater pension value. The lump sum interest rates for determining the actuarial present values of the pension benefit are based on the Pension Protection Act of 2006 lump sum interest rates, and such rates for 2013 are equivalent to a rate that is approximately 1% less than the 2012 rates. In addition, this year’s discount rate, 3.60%, is 0.15% less than last year’s discount rate, 3.75%.

Third, an additional year older resulting in a shorter discount period from the assumed retirement age to current age. For all of the NEOs (except for Mr. Kirkland who attained age 60 in 2010, and for whom the discount no longer applies because there is no period of time from the assumed retirement age to his current age), the discount period from the assumed retirement age to current age was shorter as of December 31, 2012. The result of a shorter discount period to retirement age is an increase in the pension values.

Fourth, an additional year of benefit service earned in 2012. All of the NEOs worked for a full year in 2012, and therefore their pension benefits increased because they earned an additional year of benefit service. For Mr. Pate, the impact of an additional year of service is larger relative to the other NEO’s since he has significantly fewer years of service.

The following table provides a breakdown of the percent change in the NEO’s pension values:

Name	Total Percent Change in Pension Value, 2011 to 2012	Factors				
		Higher HAE	Lower Interest Rate and Discount Rate Assumptions	One Year Older	One Additional Year of Service	
J.S. Watson	64%	46%	8%	6%	4%	
P.E. Yarrington	46%	27%	9%	6%	4%	
G.L. Kirkland	37%	26%	10%	-2%	3%	
M.K. Wirth	32%	19%	4%	5%	4%	
R.H. Pate	69%	16%	1%	4%	48%	

- (6) All Other Compensation for 2012 includes the following items but excludes other arrangements that are generally available to our salaried employees on the U.S. payroll and do not discriminate in scope, terms or operations in favor of our NEOs, such as our relocation, medical, dental, disability and group life insurance programs.

	J.S. Watson	P.E. Yarrington	G.L. Kirkland	M.K. Wirth	R.H. Pate
ESIP Company Contributions ^(a)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
ESIP-RP Company Contributions ^(a)	\$ 113,667	\$ 52,767	\$ 89,667	\$ 58,950	\$ 41,500
Perquisites ^(b)					
Financial Counseling	\$ 25,390	\$ —	\$ 19,320	\$ 14,880	\$ 14,880
Motor Vehicles	\$ 2,357	\$ —	\$ 2,017	\$ —	\$ —

Corporate Aircraft ^(c)	\$ 59,137	\$ 2,675	\$ —	\$ 2,675	\$ —
International Board Trip ^(d)	\$ 4,789	\$ 19,852	\$ 1,149	\$ 11,722	\$ 17,274
Residential Security ^(e)	\$ 95	\$ —	\$ —	\$ 396	\$ 7,679
Executive Physical ^(f)	\$ —	\$ —	\$ —	\$ 6,601	\$ —
TOTAL, ALL OTHER COMPENSATION	\$ 225,435	\$ 95,294	\$ 132,153	\$ 115,224	\$ 101,333

- (a) The Employee Savings Investment Plan is a tax-qualified defined contribution plan open to employees on the U.S. payroll. When an employee contributes 2% of earnings to the ESIP, the Company provides an 8% match. Employees may choose to contribute 1% and receive a 4% match. They may also choose to contribute an amount above 2%, but none of the amount above 2% is matched. The Company match up to IRS limits (\$250,000 of income in 2012) is made to the qualified ESIP account. For amounts above the IRS limit, the executive can elect to have 2% of base pay directed into the Deferred Compensation Plan, and the Company will match those funds in the nonqualified ESIP-RP.
 - (b) Items deemed perquisites are valued on the basis of their aggregate incremental cost to the Company. We do not provide tax gross-ups to our NEOs for any perquisites. Except in the case of corporate aircraft and motor vehicles, aggregate incremental cost is the same as actual cost.
 - (c) Generally, executives are not allowed to use Company planes for personal use. For security reasons, the CEO has been requested to use a Company plane in most instances of travel. On a very limited basis, the CEO may authorize the personal use of a Company plane by other persons if, for example, it is in relation to and part of a trip that is otherwise business related or it is in connection with a personal emergency. Aggregate incremental cost was determined by multiplying the operating hours attributable to personal use by the average estimated direct operating costs and the addition of crew costs for overnight lodging and meals and other fees, as applicable.
 - (d) Reflects aggregate incremental costs for expenses deemed perquisites incurred in connection with the Board of Directors' October 2012 trip to Southeast Asia. Generally, every two years, the Board travels to one of Chevron's international locations of operation to gain additional insight into Chevron's operations and meet Chevron personnel at that location. Board member and NEO spouses are invited to attend the international Board trip to learn about Chevron's operations and foster social interaction among the Directors and NEOs as well as provide opportunities for spouses to attend receptions with local and expatriate Chevron employees and their families and local government officials, tour Chevron facilities, and participate in community engagement and other goodwill activities on behalf of Chevron. Incremental costs incurred in connection with spousal attendance and attributed to the NEO as a perquisite include transportation (such as commercial air travel when in lieu of corporate aircraft travel), lodging, meals, sightseeing and other activities for the spouse.
 - (e) For Mr. Pate, reflects the aggregate incremental cost of home security improvements following a home security assessment in 2012.
 - (f) For Mr. Wirth, includes travel-related costs of ground transportation and lodgings (\$668).
- (7) Messrs. Watson and Kirkland are also Directors of the Company, but do not receive any additional compensation for their service.

Grants of Plan-Based Awards in Fiscal Year 2012

The following table sets forth information concerning the grants of non-equity and equity incentive plan awards to our named executive officers, or "NEOs," in 2012. Non-equity incentive plan awards are made under our Chevron Incentive Plan (CIP), and equity incentive plan awards (performance shares and stock option awards) are made under our Long-Term Incentive Plan of Chevron Corporation (LTIP). These awards are also described in our "Compensation Discussion and Analysis" in this Proxy Statement.

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Option Awards: Number of Securities Underlying Options ⁽³⁾	Exercise or Base Price of Option Awards ⁽⁴⁾ (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ⁽⁵⁾
			Threshold (\$)	Target Maximum (\$)	Maximum (\$)	Threshold (#)	Target Maximum (#)	Maximum (#)			
J.S. Watson	CIP		—	\$ 2,210,000	—	—	—	—	—	—	
	Perf Shares	1/25/2012	—	—	—	16,500	66,000	132,000	—	—	\$ 7,095,660
	Options	1/25/2012	—	—	—	—	—	—	420,000	\$ 107.73	\$ 9,807,000
P.E. Yarrington	CIP		—	\$ 744,000	—	—	—	—	—	—	
	Perf Shares	1/25/2012	—	—	—	4,250	17,000	34,000	—	—	\$ 1,827,670
	Options	1/25/2012	—	—	—	—	—	—	105,000	\$ 107.73	\$ 2,451,750
G.L. Kirkland	CIP		—	\$ 1,400,000	—	—	—	—	—	—	
	Perf Shares	1/25/2012	—	—	—	6,875	27,500	55,000	—	—	\$ 2,956,525
	Options	1/25/2012	—	—	—	—	—	—	175,000	\$ 107.73	\$ 4,086,250
M.K. Wirth	CIP		—	\$ 800,000	—	—	—	—	—	—	
	Perf Shares	1/25/2012	—	—	—	4,250	17,000	34,000	—	—	\$ 1,827,670
	Options	1/25/2012	—	—	—	—	—	—	105,000	\$ 107.73	\$ 2,451,750
R.H. Pate	CIP		—	\$ 585,750	—	—	—	—	—	—	
	Perf Shares	1/25/2012	—	—	—	3,000	12,000	24,000	—	—	\$ 1,290,120
	Options	1/25/2012	—	—	—	—	—	—	78,000	\$ 107.73	\$ 1,821,300

- (1) The CIP is an annual incentive plan that pays a cash award for performance and is paid in April following the performance year. See our "Compensation Discussion and Analysis—How Compensation Is Delivered—Chevron Incentive Plan (CIP)" for a detailed description of CIP awards, including the criteria to be applied in determining the amounts payable. "Target" is the percentage of the NEO's base salary set by the Management Compensation Committee prior to the beginning of the performance year. Actual 2012 performance-year awards are shown in the "Summary Compensation Table" in the "Non-Equity Incentive Plan Compensation" column. Under the CIP, there is no threshold or maximum award.
- (2) Relates to performance share awards issued under the LTIP. See our "Compensation Discussion and Analysis—How Compensation Is Delivered—Long-Term Incentive Plan (LTIP)" for a detailed description of performance share awards, including the criteria to be applied in determining the amounts payable. "Target" is the number of performance shares awarded in 2012. If there is a payout, "threshold" represents the lowest possible payout (25% of the grant), and "Maximum" reflects the highest possible payout (200% of the grant). Performance shares are paid in cash, and the payout, if any, will occur at the end of the three-year performance period (January 2012 through December 2014) and is calculated in the manner described in Footnote 2 to the "Option Exercises and Stock Vested in Fiscal Year 2012" table, below. Performance share awards do not accrue dividends or dividend equivalents.
- (3) Relates to nonstatutory/nonqualified stock options granted under the LTIP. See our "Compensation Discussion and Analysis—How Compensation Is Delivered—Long-Term Incentive Plan (LTIP)" for a description of stock option awards. Options have a 10-year term and vest 33.33% at each anniversary of the date of grant over three years. Stock option awards do not accrue dividends or dividend equivalents.
- (4) The exercise price is the closing price of Chevron common stock on the grant date.
- (5) We calculate the grant date fair value of each award in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation (ASC Topic 718) and as described in Footnotes 2 and 3 to the "Summary Compensation Table," above.

Outstanding Equity Awards at 2012 Fiscal Year-End

The following table sets forth information concerning the outstanding equity incentive awards at December 31, 2012, for each of our named executive officers, or "NEOs."

Name	Option Awards					Stock Awards			
	Grant Date of Option Awards	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽²⁾
J.S. Watson	1/25/2012		420,000 ⁽³⁾	\$ 107.730	1/25/2022	—	—	119,000 ⁽⁴⁾	\$ 25,737,320
	1/26/2011	113,333	226,667 ⁽⁵⁾	\$ 94.640	1/26/2021				
	1/27/2010	226,666	113,334 ⁽⁶⁾	\$ 73.700	1/27/2020				
	3/25/2009	170,000		\$ 69.700	3/25/2019				
	3/26/2008	112,000		\$ 84.960	3/26/2018				
	3/28/2007	125,000		\$ 74.080	3/28/2017				
P.E. Yarrington	1/25/2012		105,000 ⁽³⁾	\$ 107.730	1/25/2022	15,496 ⁽⁷⁾	\$ 1,675,768	38,000 ⁽⁸⁾	\$ 8,218,640
	1/26/2011	44,000	88,000 ⁽⁵⁾	\$ 94.640	1/26/2021				
	1/27/2010	90,000	45,000 ⁽⁶⁾	\$ 73.700	1/27/2020				
	3/25/2009	130,000		\$ 69.700	3/25/2019				
	3/26/2008	39,000		\$ 84.960	3/26/2018				
	3/28/2007	44,000		\$ 74.080	3/28/2017				
	3/23/2006	38,000		\$ 56.630	3/23/2016				
6/29/2005	40,000		\$ 56.760	6/29/2015					
G.L. Kirkland	1/25/2012		175,000 ⁽³⁾	\$ 107.730	1/25/2022	—	—	57,500 ⁽⁹⁾	\$ 12,436,100
	1/26/2011	63,333	126,667 ⁽⁵⁾	\$ 94.640	1/26/2021				
	1/27/2010	126,666	63,334 ⁽⁶⁾	\$ 73.700	1/27/2020				
	3/25/2009	170,000		\$ 69.700	3/25/2019				
	3/26/2008	112,000		\$ 84.960	3/26/2018				
	3/28/2007	125,000		\$ 74.080	3/28/2017				
M.K. Wirth	1/25/2012		105,000 ⁽³⁾	\$ 107.730	1/25/2022	29,696 ⁽¹⁰⁾	\$ 3,211,356	38,000 ⁽¹¹⁾	\$ 8,218,640
	1/26/2011	44,000	88,000 ⁽⁵⁾	\$ 94.640	1/26/2021				
	1/27/2010	90,000	45,000 ⁽⁶⁾	\$ 73.700	1/27/2020				
	3/25/2009	130,000		\$ 69.700	3/25/2019				
	3/26/2008	112,000		\$ 84.960	3/26/2018				
	3/28/2007	125,000		\$ 74.080	3/28/2017				
	3/23/2006	75,000		\$ 56.630	3/23/2016				
6/29/2005	40,000		\$ 56.760	6/29/2015					
R.H. Pate	1/25/2012		78,000 ⁽³⁾	\$ 107.730	1/25/2022	23,244 ⁽¹²⁾	\$ 2,513,652	27,000 ⁽¹³⁾	\$ 5,839,560
	1/26/2011	31,666	63,334 ⁽⁵⁾	\$ 94.640	1/26/2021				
	1/27/2010	68,000	34,000 ⁽⁶⁾	\$ 73.700	1/27/2020				

- (1) Market value is based upon number of restricted stock units that have not vested multiplied by \$108.14, which was the closing price of Chevron common stock on 12/31/12.
- (2) Represents estimated payout value of performance shares and is based upon the number of performance shares multiplied by the assumed performance modifier of 200% multiplied by \$108.14, the closing price of Chevron common stock on 12/31/12. The performance modifier for the most recent payout was 150%, which exceeded the threshold. Accordingly, the estimated payout value is based upon 200% performance modifier, the next-highest performance modifier that exceeds the previous fiscal year's performance modifier. The estimated payout value may not necessarily reflect the final payout, which will be calculated in the manner described in Footnote 2 to the "Option Exercises and Stock Vested in Fiscal Year 2012" table, below.
- (3) Stock options vest at the rate of 33.33% per year, with the vesting dates of 1/25/13, 1/25/14 and 1/25/15.
- (4) Represents performance shares that vest at the end of the applicable three-year performance period; 53,000 shares vest on 12/31/13, and 66,000 shares vest on 12/31/14.
- (5) Stock options vest at the rate of 33.33% per year, with the vesting dates of 1/26/12, 1/26/13 and 1/26/14.

- (6) Stock options vest at the rate of 33.33% per year, with the vesting dates of 1/27/11, 1/27/12 and 1/27/13.
- (7) Represents 15,000 restricted stock units granted on 12/6/11 and subsequent dividend equivalents reinvested as additional restricted stock units, 50% of which will vest on 12/6/13 and 50% on 12/6/15 if Ms. Yarrington is employed through the respective vesting dates.
- (8) Represents performance shares that vest at the end of the applicable three-year performance period; 21,000 shares vest on 12/31/13, and 17,000 shares vest on 12/31/14.
- (9) Represents performance shares that vest at the end of the applicable three-year performance period; 30,000 shares vest on 12/31/13, and 27,500 shares vest on 12/31/14.
- (10) Represents the 12/31/12 market value of 14,200 restricted stock units granted on 1/27/10 that vested on 1/27/13; and 15,000 restricted stock units granted on 12/6/2011 and subsequent dividend equivalents reinvested as additional restricted stock units, 50% of which will vest on 12/6/2013 and 50% on 12/6/2015 if Mr. Wirth is employed through the respective vesting dates.
- (11) Represents performance shares that vest at the end of the applicable three-year performance period; 21,000 shares vest on 12/31/13, and 17,000 shares vest on 12/31/14.
- (12) Represents 22,500 restricted stock units granted on 12/6/11 and subsequent dividend equivalents reinvested as additional restricted stock units, 30% of which will vest on 12/6/14, 30% on 12/6/16 and 40% on 12/6/18 if Mr. Pate is employed through the respective vesting dates.
- (13) Represents performance shares that vest at the end of the applicable three-year performance period; 15,000 shares vest on 12/31/13, and 12,000 shares vest on 12/31/14.

Option Exercises and Stock Vested in Fiscal Year 2012

The following table sets forth information concerning the cash value realized by each of our named executive officers, or "NEOs," upon exercise of options or vesting of stock awards in 2012.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#) ⁽²⁾	Value Realized on Vesting (\$) ⁽²⁾
J.S. Watson	240,000	\$ 12,575,666	79,500	\$ 8,565,330
P.E. Yarrington	—	\$ —	31,500 ⁽³⁾	\$ 3,393,810
G.L. Kirkland	240,000	\$ 12,917,090	45,000	\$ 4,848,300
M.K. Wirth	28,000	\$ 1,804,127	31,500	\$ 3,393,810
R.H. Pate	—	\$ —	24,000	\$ 2,585,760

(1) Value realized upon exercise was determined by multiplying the number of stock options exercised by the difference between the fair market value of the underlying stock on the exercise date and the exercise price of the stock options.

Name	Shares Acquired on Exercise	Grant Date	Exercise Price	Fair Market Value on Exercise Date	Value Realized on Vesting
J.S. Watson	115,000	6/29/2005	\$ 56.76	\$ 109.0909	\$ 6,018,053
	125,000	3/23/2006	\$ 56.63	\$ 109.0909	\$ 6,557,613
G.L. Kirkland	12,500	6/29/2005	\$ 56.76	\$ 107.9100	\$ 639,375
	102,500	6/29/2005	\$ 56.76	\$ 109.0000	\$ 5,354,600
	7,320	3/23/2006	\$ 56.63	\$ 112.0157	\$ 405,423
	15,000	3/23/2006	\$ 56.63	\$ 111.4000	\$ 821,550
	102,680	3/23/2006	\$ 56.63	\$ 112.1047	\$ 5,696,142
M.K. Wirth	28,000	6/30/2004	\$ 47.055	\$ 111.4881	\$ 1,804,127

(2) Represents the cash value of the performance shares granted in 2010 for the performance period January 2010 through December 2012. We calculate the value of performance share payouts as follows:

First, we calculate our total shareholder return (TSR) and the TSR of ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips/Phillips 66 for the three-year performance period. We calculate TSR for the three-year performance period for ourselves and our competitors as follows:

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

ConocoPhillips was split into ConocoPhillips and Phillips 66 in 2012, and their three-year TSR ranking was modeled based on a unified ConocoPhillips by adding the price of one share of ConocoPhillips to half a share of Phillips 66. This reflects the structure of the spin-off: integrated ConocoPhillips stockholders received half a share of Phillips 66 for every one share of ConocoPhillips. For 2012 and future awards, we have replaced ConocoPhillips/Phillips 66 with Total.

The results are expressed as an annualized average compound rate of return.

Second, we rank our TSR against the TSR of ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips/Phillips 66 to determine the performance modifier applicable to the awards.

Our rank then determines what the performance modifier will be, as follows:

Our Rank	1st	2nd	3rd	4th	5th
Performance Modifier	200%	150%	100%	50%	—%

For example, if we rank first in TSR as compared with ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips/Phillips 66 (with Total replacing ConocoPhillips starting with 2012 grants), then the performance modifier would be 200%. Under the rules of the Long-Term Incentive Plan of Chevron Corporation (LTIP) relating to performance shares, in the event our measured TSR is within 1% of the nearest competitor(s), the results will be considered a tie, and the performance modifier will be the average of the tied ranks. For example, if Chevron ranks fifth in TSR and ties with the TSR of the company that ranks fourth, it will result in a modifier of 25% (the average of 50% and 0%).

Third, we determine the actual dollar amount of the performance share award to pay out. Performance share awards are paid out in cash as follows:

Number of Performance Shares Granted	×	Performance Modifier	×	20-Day Trailing Average Price of Chevron Common Stock at the End of the Performance Period	=	Cash Value Realized at Vesting
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For awards of performance shares made in 2010, the three-year performance period ended December 2012. Chevron ranked second in TSR among ExxonMobil, BP, Royal Dutch Shell and ConocoPhillips/Phillips 66. Accordingly, the performance share value vested in 2012 for 2010 awards was calculated as follows:

Shares

Cash Value

	Shares Granted	*	Modifier	=	Acquired on Vesting	*	20-Day Trailing Average Price	=	Realized at Vesting
J.S. Watson	53,000		150%		79,500		\$ 107.74		\$ 8,565,330
P.E. Yarrington	21,000		150%		31,500		\$ 107.74		\$ 3,393,810
G.L. Kirkland	30,000		150%		45,000		\$ 107.74		\$ 4,848,300
M.K. Wirth	21,000		150%		31,500		\$ 107.74		\$ 3,393,810
R.H. Pate	16,000		150%		24,000		\$ 107.74		\$ 2,585,760

- (3) Ms. Yarrington elected to defer 90%, or \$3,054,429, of her 2010 performance share grant to the Deferred Compensation Plan for Management Employees II (DCP). Provisions of the DCP and Ms. Yarrington's distribution election are described in the footnotes to the "Nonqualified Deferred Compensation Table," below.

Pension Benefits Table

The following table sets forth information concerning the present value of benefits accumulated by our named executive officers, or “NEOs,” under our defined benefit retirement plans, or pension plans.

Name	Plan Name	Number of Years Credited Service ⁽¹⁾	Present Value of Accumulated Benefit ⁽²⁾	Payments During Last Fiscal Year
J.S. Watson	Chevron Retirement Plan	31	\$ 1,371,904	\$ —
	Chevron Retirement Restoration Plan		\$ 24,181,742	
P.E. Yarrington	Chevron Retirement Plan	31	\$ 1,472,373	\$ —
	Chevron Retirement Restoration Plan		\$ 10,557,055	
G.L. Kirkland	Chevron Retirement Plan	37	\$ 2,084,267	\$ —
	Chevron Retirement Restoration Plan		\$ 27,823,776	
M.K. Wirth	Chevron Retirement Plan	27	\$ 992,730	\$ —
	Chevron Retirement Restoration Plan		\$ 7,947,426	
R. H. Pate	Chevron Retirement Plan	3	\$ 68,626	\$ —
	Chevron Retirement Restoration Plan		\$ 287,439	

(1) Credited service is computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to Chevron’s audited 2012 financial statements and is generally the period that an employee is a participant in the plan for which he or she is an eligible employee and receives pay from a participating company. It is not Chevron’s policy to grant extra years of credited service to participants. However, credited service may include similar service with certain companies acquired in the past by Chevron. Mr. Kirkland’s years of credited service include six years of service with Caltex, the former joint venture between Chevron and Texaco, prior to the 2001 merger. Credited service does not include service prior to July 1, 1986, during which certain employees were under age 25. Ms. Yarrington and Messrs. Watson, Kirkland and Wirth have such pre-July 1, 1986, age 25 service. Their actual years of service are as follows: Mr. Watson, 32 years; Ms. Yarrington, 32 years; Mr. Kirkland, 39 years; and Mr. Wirth, 30 years.

(2) Reflects the present value of the accumulated benefit as of December 31, 2012, computed as of the same pension plan measurement date used for financial statement reporting purposes with respect to Chevron’s audited 2012 financial statements. This is the present value of the benefit determined as though the participant retires at the earliest age when participants may retire without any benefit reduction due to age (age 60, or current age if older, for the NEOs), using service and compensation as of December 31, 2012. This present value is then discounted with interest to the date used for financial reporting purposes. Except for the assumption that the retirement age is the earliest retirement without a benefit reduction due to age, the assumptions used to compute the present value of accumulated benefits are generally the assumptions used for financial reporting purposes on December 31, 2012. These assumptions include the discount rate of 3.6% as of December 31, 2012. This rate reflects the rate at which benefits could be effectively settled and is equal to the equivalent single rate resulting from yield curve analysis as described in Note 20, “Employee Benefit Plans,” to the Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2012. The present values reflect the lump sum forms of payment based on the lump sum interest rate assumptions used for financial reporting purposes on December 31, 2012, which are representative of the Pension Protection Act of 2006 lump sum interest rates. The present value of Mr. Pate’s accumulated benefit has been calculated assuming that he has attained the required five years of vesting and eligibility service as of December 31, 2012. Mr. Pate will not be vested in the Chevron Retirement Plan or the Retirement Restoration Plan benefit until August 3, 2014.

See Footnote 5 to the “Summary Compensation Table” above for a description of the factors related to the change in the present value of the pension benefit.

Our NEOs are eligible for a pension after retirement and participate in both the Chevron Retirement Plan (CRP) (a defined-benefit pension plan that is intended to be tax-qualified under Internal Revenue Code section 401(a)) and the Chevron Retirement Restoration Plan (RRP) (an unfunded nonqualified defined-benefit pension plan). The RRP is designed to provide benefits comparable with those provided by the CRP but that cannot be paid from the CRP because of Internal Revenue Code limitations on benefits and earnings.

For employees hired prior to January 1, 2008, including Ms. Yarrington and Messrs. Watson, Kirkland and Wirth, the age 65 retirement benefits are calculated as follows:

Highest average base salary and CIP awards for 36 consecutive months, not limited by Internal Revenue Code ⁽¹⁾	x	Benefit Accrual Service used by the CRP	x	1.6%	–	Social Security offset used by the CRP	=	Total retirement benefit, expressed as a single life annuity
Highest average base salary and CIP awards for 36 consecutive months, as limited by Internal Revenue Code ⁽²⁾	x	Benefit Accrual Service used by the CRP	x	1.6%	–	Social Security offset used by the CRP	=	Total CRP benefit after IRS limitations, expressed as a single life annuity
Total retirement benefit	–	Total CRP benefit		=	Total RRP benefit, expressed as a single life annuity			

The age 65 retirement benefits for these employees hired prior to January 1, 2008, are reduced by early retirement discount factors of zero percent per year above age 60, of five percent per year from age 60 to age 50, and actuarially reduced below age 50 as prescribed by the plans.

For employees hired after December 31, 2007, including Mr. Pate, the age 65 retirement benefits are calculated as follows:

Highest five-year average base salary and CIP awards, not limited by Internal Revenue Code ⁽¹⁾	x	Actual number of years of Benefit Accrual Service: before age 60 x 11% PLUS after age 60 x 14%	=	Total retirement benefit, expressed as a lump sum
Highest five-year average base salary and CIP awards, as limited by Internal Revenue Code ⁽²⁾	x	Actual number of years of Benefit Accrual Service: before age 60 x 11% PLUS after age 60 x 14%	=	Total CRP benefit after IRS limitations, expressed as a lump sum
Total retirement benefit	–	Total CRP benefit	=	Total RRP benefit, expressed as a lump sum

(1) "CIP" refers to Chevron Incentive Plan. On December 31, 2012, the applicable average was: Mr. Watson, \$4,316,667; Ms. Yarrington, \$1,904,167; Mr. Kirkland, \$3,286,667; Mr. Wirth, \$2,119,767; and Mr. Pate, \$1,299,033.

(2) "CIP" refers to Chevron Incentive Plan. On December 31, 2012, the applicable average, after reflecting the Internal Revenue Code compensation limitation, was \$246,667 for Ms. Yarrington and Messrs. Watson, Kirkland, Wirth and Pate.

For employees hired after December 31, 2007, the amount of the benefit is reduced by 4.5 percent annual compound interest if payment commences prior to age 60.

A participant is eligible for an early retirement benefit if he or she is vested on the date employment ends. Generally, a participant is vested after completing five years of Vesting and Eligibility Service. All NEOs except Mr. Pate are eligible for an early retirement benefit, calculated as described above. Mr. Pate will be eligible for an early retirement benefit on August 3, 2014.

The benefit under the CRP is initially calculated as a single life annuity for participants hired before January 1, 2008. For participants hired after December 31, 2007, the benefit is initially calculated as a lump sum. In either case, all retirees can elect to have their benefits paid in the form of a single life annuity or lump sum. Joint and survivor annuity, life and term-certain annuity, and uniform income annuity options are also available under the CRP. The equivalent of optional forms of annuity payment are calculated by multiplying the early retirement benefit by actuarial factors, based on age, in effect on the benefit calculation date. The Internal Revenue Code applicable interest rate and applicable mortality table are used for converting from one form of benefit to an actuarially equivalent optional form of benefit. Employees can elect to have their CRP benefit commence prior to normal retirement age, which is age 65, but no earlier than when employment ends. CRP participants do not make distribution elections until or following separation from service.

The RRP may be paid one year following separation from service. Retirees may elect to receive the RRP lump sum equivalent in a single payment or in up to 10 annual installments.

Our NEOs made the following RRP distribution elections:

Name	# of Annual Installments Elected	Time of First Payment
J.S. Watson	1	First January that is at least one year following separation from service
P.E. Yarrington	1	First quarter that is at least one year following separation from service
G.L. Kirkland	5	First quarter that is at least one year following separation from service
M.K. Wirth	1	First quarter that is at least one year following separation from service
R.H. Pate	1	First quarter that is at least one year following separation from service

Nonqualified Deferred Compensation Table

The following table sets forth information concerning the value of each named executive officer's, or "NEO's," compensation deferred pursuant to our Deferred Compensation Plan for Management Employees and our Deferred Compensation Plan for Management Employees II (both, the DCP) and our Employee Savings Investment Restoration Plan (ESIP-RP).⁽¹⁾

Name	Executive Contributions in the Last Fiscal Year ⁽²⁾	Registrant Contributions in the Last Fiscal Year ⁽³⁾	Aggregate Earnings in the Last Fiscal Year ⁽⁴⁾	Aggregate Withdrawals/ Distributions ⁽⁵⁾	Aggregate Balance at Last Fiscal Year-End ⁽⁶⁾
J.S. Watson	\$ 167,083	\$ 113,667	\$ 440,834	\$ —	\$ 6,812,555
P.E. Yarrington	\$ 3,633,442	\$ 52,767	\$ 834,939	\$ —	\$ 13,657,781
G.L. Kirkland	\$ 22,417	\$ 89,667	\$ 62,489	\$ —	\$ 1,331,652
M.K. Wirth	\$ 14,737	\$ 58,950	\$ 117,105	\$ —	\$ 1,721,923
R.H. Pate	\$ 10,375	\$ 41,500	\$ 7,498	\$ —	\$ 169,434

(1) The DCP is an unfunded and nonqualified defined contribution plan that permits NEOs to defer up to 90% of Chevron Incentive Plan (CIP) awards and Long-Term Incentive Plan of Chevron Corporation (LTIP) performance shares and up to 40% of salary. The DCP is intended to qualify as an unfunded pension plan maintained by an employer for a select group of management or highly compensated employees within the meaning of the Employee Retirement Income and Security Act.

DCP deferrals accrue earnings based upon an NEO's selection of investments from 10 different funds that are designated by the Management Compensation Committee of the Board of Directors and that are also available in the Employee Savings Investment Plan, Chevron's tax-qualified defined contribution plan open to employees on the U.S. payroll. DCP funds and their annual rates of return, as of December 31, 2012, were:

Chevron Common Stock Fund	5.00%
Vanguard Institutional Index Fund Institutional Plus Shares	16.00%
Vanguard Prime Money Market Fund Institutional Shares	0.11%
Vanguard Windsor II Fund Admiral Shares	16.80%
Vanguard PRIMECAP Fund Admiral Shares	15.38%
Vanguard Developed Markets Index Fund Institutional Plus Shares	18.96%
Vanguard Balanced Index Fund Institutional Shares	11.51%
Vanguard Extended Market Index Fund Institutional Plus Shares	18.52%
Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares	16.53%
Vanguard Total Bond Market Index Fund Institutional Plus Shares	4.20%

NEOs may transfer into and out of funds daily, except that they may not make opposite-way transfers within 60 days. NEOs and other insiders may only transact in the Chevron Common Stock Fund during a 20-business day period that begins on the first business day that is at least 24 hours after the public release of quarterly and annual earnings (an "Insider Trading Window"). Deferrals for NEOs and other insiders who elect that their deferrals be tracked with reference to Chevron common stock are, upon deferral, tracked with reference to the Vanguard Federal Money Market Fund. At the close of the Insider Trading Window, the balance of the Vanguard Federal Money Market Fund is transferred to the Chevron Common Stock Fund. The 2012 annual rate of return for the Vanguard Federal Money Market Fund was 0.01%.

DCP payments are made after the end of employment in up to 10 annual installments. Amounts tracked in Chevron common stock are paid in stock, and all other amounts are paid in cash. Participants may elect payment to commence as early as the quarter that is 12 months following separation from service. The DCP was amended for post-2004 deferrals in accordance with Section 409A of the Internal Revenue Code. As a result, NEOs may make different elections for pre-2005 and post-2004 deferrals. If a plan participant engages in misconduct, DCP balances related to awards made under the LTIP or the CIP on or after June 29, 2005, may be forfeited.

The ESIP-RP is a nonqualified defined contribution restoration plan that provides for the Company contribution that would have been paid into the ESIP but for the fact that the NEO's base salary exceeded the Internal Revenue Code 401(a)(17) limit (\$250,000 in 2012). A minimum 2% deferral on base pay over the tax code's annual compensation limit is required in order to receive a Company contribution in the ESIP-RP. Contributions are tracked in phantom Chevron common stock units. Participants receive phantom dividends on these units, based on the dividend rate as is earned on Chevron common stock. Plan balances may be forfeited if a participant engages in misconduct. Accounts are paid out in cash, commencing as early as the quarter that is 12 months following separation from service, in up to 10 or 15 annual installments.

Below are the payment elections made by each of the NEOs with respect to their DCP and ESIP-RP plan balances:

Name	Plan	# of Annual Installments Elected	Time of First Payment
J.S. Watson	DCP	1	First January that is at least one year following separation from service
	ESIP-RP	1	First January that is at least one year following separation from service
P.E. Yarrington	DCP	1	First quarter that is at least one year following separation from service
	ESIP-RP	1	First quarter that is at least one year following separation from service
G.L. Kirkland	DCP	3	First quarter that is at least one year following separation from service
	ESIP-RP pre-2005	5	First quarter that is at least one year following separation from service

	ESIP-RP post-2004	3	First quarter that is at least one year following separation from service
M.K. Wirth	DCP	1	First quarter that is at least one year following separation from service
	ESIP-RP	1	First quarter that is at least one year following separation from service
R.H. Pate	DCP	1	First quarter that is at least one year following separation from service
	ESIP-RP	1	First quarter that is at least one year following separation from service

- (2) Reflects salary deferrals for each NEO into the DCP in 2012. These amounts are also included in the "Salary" column that is reported in the "Summary Compensation Table," above, and quantified as "Total Salary Deferred Under the DCP" in Footnote 1 to that table. For Ms. Yarrington, the amount reported also includes deferral of \$1,282,500 of her 2011 CIP award (received in April 2012) and \$2,337,750 of her 2009 LTIP performance share grant.
- (3) Represents ESIP-RP contributions by the Company for 2012. These amounts are also reflected in the "All Other Compensation" column in the "Summary Compensation Table," above.
- (4) Represents the difference between DCP and ESIP-RP balances at December 31, 2012, and December 31, 2011, less CIP, LTIP and salary deferrals in the DCP and Company contributions in the ESIP-RP. 2012 earnings in the DCP and ESIP-RP were as follows:

Name	DCP Earnings	ESIP-RP Earnings
J.S. Watson	\$ 380,406	\$ 60,428
P.E. Yarrington	\$ 809,710	\$ 25,229
G.L. Kirkland	\$ 8,668	\$ 53,821
M.K. Wirth	\$ 95,050	\$ 22,055
R.H. Pate	\$ 2,516	\$ 4,982

- (5) In-service withdrawals are not permitted from the DCP or the ESIP-RP.
- (6) Represents DCP and ESIP-RP balances as of December 31, 2012, as follows:

Name	DCP Balance	ESIP-RP Balance
J.S. Watson	\$ 5,471,704	\$ 1,340,851
P.E. Yarrington	\$ 13,091,446	\$ 566,335
G.L. Kirkland	\$ 144,121	\$ 1,187,531
M.K. Wirth	\$ 1,219,911	\$ 502,012
R.H. Pate	\$ 32,512	\$ 136,922

These balances include aggregate NEO contributions reported previously as "Salary Deferred" in the footnote to the Summary Compensation Table; Chevron's ESIP-RP (and predecessor plans) contributions reported previously as "All Other Compensation" in the applicable Summary Compensation Table and footnotes to these tables; CIP amounts previously reported in footnotes to the Summary Compensation Table and the Nonqualified Deferred Compensation Table; and LTIP amounts previously reported in footnotes to the Option Exercises and Stock Vested Table and the Nonqualified Deferred Compensation Table, as follows:

Name	Salary Deferred Amounts Previously Reported	ESIP-RP Amounts Previously Reported	CIP Amounts Previously Reported	LTIP Amounts Previously Reported
J.S. Watson	\$ 771,007	\$ 644,634	\$ —	\$ —
P.E. Yarrington	\$ 943,942	\$ 180,117	\$ 4,539,420	\$ 7,324,767
G.L. Kirkland	\$ 106,909	\$ 523,050	\$ —	\$ —
M.K. Wirth	\$ 41,649	\$ 166,600	\$ —	\$ —
R.H. Pate	\$ 28,715	\$ 114,863	\$ —	\$ —

Potential Payments Upon Termination or Change-in-Control

Our named executive officers, or “NEOs,” do not have employment contracts or other arrangements that provide for special guaranteed payments or other benefits upon retirement or termination, except for Mr. Pate, whose arrangement is described below and in our “Compensation Discussion and Analysis—Compensation Governance—Employment, Severance or Change-in-Control Agreements” in this Proxy Statement. Our NEOs are not eligible for enhanced severance or, in the event of a change-in-control, acceleration of outstanding equity granted under the Long-Term Incentive Plan of Chevron Corporation (LTIP). However, upon termination in the circumstances described below, our NEOs are entitled to accrued and vested interests (and in some cases deemed vesting of unvested interests) in their outstanding equity awards, retirement plan benefits and certain limited perquisites.

Termination for reasons other than cause may result in full or partial vesting of equity grants. Full or partial vesting, if any, is a function of the sum of an NEO’s age plus his or her time in service and the reasons for termination. Our policy of full or partial vesting for outstanding equity grants based on an NEO’s age and time in service is a reflection of our belief that our equity and benefit programs should be based upon a career employment model designed to encourage retention and long-term employment. Many of our business decisions have long-term horizons, and to ensure our executives have a vested interest in our future profitability, such programs enable executives with long service to continue to share in our success. The terms and effect of full or partial vesting of outstanding, but unvested equity grants is illustrated by the following table.

Termination Circumstance	Effect of Termination on Options	Effect of Termination on Performance Shares
Employed less than one year after grant date	Forfeit 100% of grant.	
Employed for at least one year after grant date and on termination date either: <ul style="list-style-type: none"> • have at least 90 points (sum of age and service) or • are at least age 65 	Vest 100% of grant.	
	Remaining term to exercise vested stock options.	Award will be based on and paid at the end of the full performance period(s).
Employed for at least one year after grant date and on termination date either: <ul style="list-style-type: none"> • have at least 75 points (sum of age and service) or • are at least age 60 	Total amount of grant deemed vested is calculated as follows:	
	Total number of options subject to the grant <i>multiplied by</i> Number of whole months from the grant date to the termination date, up to a maximum of 36 months <i>divided by 36 months.</i>	Number of performance shares granted <i>multiplied by</i> Number of whole months from the performance period start date to the termination date, up to a maximum of 36 months <i>divided by 36 months.</i>
	Exercisable options shall be reduced by the number of options previously exercised.	
	The lesser of five years from termination or remaining term to exercise.	Award will be based on and paid at the end of the full performance period(s).
Other termination	Forfeit all unvested options. The lesser of 180 days from termination or remaining term to exercise vested stock options.	Forfeit all outstanding grants.
Misconduct	Forfeit all outstanding grants.	Forfeit all outstanding grants.

For the tables that follow, we have assumed that each NEO terminated his or her employment on December 31, 2012. Amounts reported do not include accrued retirement and other benefits otherwise reported in the “Pension Benefits Table” and “Nonqualified Deferred Compensation Table,” above, as well as benefits that would be available generally to all or substantially all salaried employees on the U.S. payroll and do not discriminate in scope, terms or operations in favor of our NEOs, such as accrued vacation, group life insurance and post-retirement health care.

John S. Watson

Benefits and Payments Upon Termination	Termination for Any Reason Other Than Death, Disability or Cause ⁽¹⁾	Termination Due to Disability	Termination Due to Death	Termination for Cause ⁽²⁾
Compensation:				
Base Salary	\$ —	\$ —	\$ —	\$ —
Chevron Incentive Plan	\$ —	\$ —	\$ —	\$ —
Severance	\$ —	\$ —	\$ —	\$ —
Long-Term Incentives — unvested but deemed vested upon termination: ⁽³⁾				
Stock Options	\$ 4,980,439	\$ 4,980,439	\$ 4,980,439	\$ —
Restricted Stock Units	\$ —	\$ —	\$ —	\$ —
Performance Shares	\$ 3,820,911	\$ 3,820,911	\$ 3,820,911	\$ —
Benefits and Perquisites:⁽⁴⁾				
Office and Secretarial Services ⁽⁵⁾	\$ 200,000	\$ 200,000	\$ —	\$ —
TOTAL:	\$ 9,001,350	\$ 9,001,350	\$ 8,801,350	\$ —

(1) Includes normal or early retirement and voluntary or involuntary (other than for cause) termination, including termination following a change-in-control. We do not maintain separate change-in-control programs for our NEOs.

(2) Termination for cause results in cancellation of all outstanding LTIP grants, vested or unvested. For grants during or after 2005 that have been exercised, the Board has the ability to claw back any gains, as described in our “Compensation Discussion and Analysis — Compensation Governance—Compensation Recovery Policies.”

(3) Reflects values of deemed vested options and performance shares under the LTIP. Whether an otherwise unvested option or performance share is deemed vested upon termination is based on the number of points (sum of age and number of years of service) at the time of termination. Mr. Watson has more than 75 points and less than 90 points, which results in pro-rata vesting of all unvested LTIP grants held at least one year from the date of grant.

Mr. Watson’s stock options held at least one year vest based on the number of whole months from the grant date to 12/31/12. 11/36 of his 2010 grant and 11/36 of his 2011 grant are deemed vested. The remainder of the unvested options, including the entire 2012 grant, is forfeited. Values are calculated based on the difference between \$108.14, the 12/31/12 closing price of Chevron common stock, and the option exercise price as reported in the “Outstanding Equity Awards at 2012 Fiscal Year-End” table, above, multiplied by the deemed vested options. The value of previously vested options is calculated in a similar manner. The deemed vested stock options may be exercised within the lesser of five years from termination or the remaining term of the option.

Performance shares held at least one year vest based on the number of whole months from the performance period start date to 12/31/12. Two-thirds of Mr. Watson’s 2011 grant is deemed vested. The remainder of the unvested shares, including the entire 2012 grant, is forfeited. Values are calculated based on \$108.14, the 12/31/12 closing price of Chevron common stock, and a performance modifier of 100%. For a description of how we calculate the payout value of performance shares and the effect of the performance modifier, see Footnote 2 to the “Option Exercises and Stock Vested in Fiscal Year 2012” table, above. A lump sum cash payment is made at the end of the performance period.

(4) Mr. Watson is eligible to receive early retirement benefits from the Chevron Retirement Plan and payment from the Chevron Retirement Restoration Plan upon separation from service. His distribution elections and the present value of his accumulated benefits are disclosed in the “Pension Benefits Table,” above.

Mr. Watson is also eligible to receive payment from the ESIP Restoration Plan and from the Deferred Compensation Plan upon separation from service. His distribution elections and the aggregate balance as of 12/31/12 are disclosed in the “Nonqualified Deferred Compensation Table,” above.

(5) Former Chairmen and Vice Chairmen of the Board of Directors are provided with post-retirement office and secretarial services.

Patricia E. Yarrington

Benefits and Payments Upon Termination	Termination for Any Reason Other Than Death, Disability or Cause ⁽¹⁾		Termination Due to Disability	Termination Due to Death	Termination for Cause ⁽²⁾
Compensation:					
Base Salary	\$	—	\$	—	\$
Chevron Incentive Plan	\$	—	\$	—	\$
Severance	\$	—	\$	—	\$
Long-Term Incentives — unvested but deemed vested upon termination: ⁽³⁾					
Stock Options	\$	1,965,146	\$	1,965,146	\$
Restricted Stock Units	\$	—	\$	—	\$
Performance Shares	\$	1,513,960	\$	1,513,960	\$
Benefits⁽⁴⁾					
TOTAL	\$	3,479,106	\$	3,479,106	\$

(1) Includes normal or early retirement and voluntary or involuntary (other than for cause) termination, including termination following a change-in-control. We do not maintain separate change-in-control programs for our NEOs.

(2) Termination for cause results in cancellation of all outstanding LTIP grants, vested or unvested. For grants during or after 2005 that have been exercised, the Board has the ability to claw back any gains, as described in our “Compensation Discussion and Analysis—Compensation Governance—Compensation Recovery Policies.”

(3) Reflects values of deemed vested options and performance shares under the LTIP. Whether an otherwise unvested option or performance share is deemed vested upon termination is based on the number of points (sum of age and number of years of service) at the time of termination. Ms. Yarrington has more than 75 points and less than 90 points, which results in pro-rata vesting of all unvested LTIP grants held at least one year from the date of grant.

Ms. Yarrington’s stock options held at least one year vest based on the number of whole months from the grant date to 12/31/12. 11/36 of her 2010 grant and 11/36 of her 2011 grant are deemed vested. The remainder of the unvested options, including the entire 2012 grant, is forfeited. Values are calculated based on the difference between \$108.14, the 12/31/12 closing price of Chevron common stock, and the option exercise price as reported in the “Outstanding Equity Awards at 2012 Fiscal Year-End” table, above, multiplied by the deemed vested options. The value of previously vested options is calculated in a similar manner. The deemed vested stock options may be exercised within the lesser of five years from termination or the remaining term of the option.

Performance shares held at least one year vest based on the number of whole months from the performance period start date to 12/31/12. Two-thirds of Ms. Yarrington’s 2011 grant is deemed vested. The remainder of the unvested shares, including the entire 2012 grant, is forfeited. Values are calculated based on \$108.14, the 12/31/12 closing price of Chevron common stock, and a performance modifier of 100%. For a description of how we calculate the payout value of performance shares and the effect of the performance modifier, see Footnote 2 to the “Option Exercises and Stock Vested in Fiscal Year 2012” table, above. A lump sum cash payment is made at the end of the performance period.

Ms. Yarrington’s restricted stock units would have been forfeited if her employment had terminated on December 31, 2012.

(4) Ms. Yarrington is eligible to receive early retirement benefits from the Chevron Retirement Plan and payment from the Chevron Retirement Restoration Plan upon separation from service. Her distribution elections and the present value of her accumulated benefits are disclosed in the “Pension Benefits Table,” above.

Ms. Yarrington is also eligible to receive payment from the ESIP-RP and from the Deferred Compensation Plan upon separation from service. Her distribution elections and the aggregate balance as of 12/31/2012 are disclosed in the “Nonqualified Deferred Compensation Table,” above.

George L. Kirkland

Benefits and Payments Upon Termination	Termination for Any Reason Other Than Death, Disability or Cause ⁽¹⁾	Termination Due to Disability	Termination Due to Death	Termination for Cause ⁽²⁾
Compensation:				
Base Salary	\$ —	\$ —	\$ —	\$ —
Chevron Incentive Plan	\$ —	\$ —	\$ —	\$ —
Severance	\$ —	\$ —	\$ —	\$ —
Long-Term Incentives — unvested but deemed vested upon termination: ⁽³⁾				
Stock Options	\$ 3,891,228	\$ 3,891,228	\$ 3,891,228	\$ —
Restricted Stock Units	\$ —	\$ —	\$ —	\$ —
Performance Shares	\$ 3,244,200	\$ 3,244,200	\$ 3,244,200	\$ —
Benefits and Perquisites:⁽⁴⁾				
Office and Secretarial Services ⁽⁵⁾	\$ 200,000	\$ 200,000	\$ —	\$ —
TOTAL	\$ 7,335,428	\$ 7,335,428	\$ 7,135,428	\$ —

(1) Includes normal or early retirement and voluntary or involuntary (other than for cause) termination, including termination following a change-in-control. We do not maintain separate change-in-control programs for our NEOs.

(2) Termination for cause results in cancellation of all outstanding LTIP grants, vested or unvested. For grants during or after 2005 that have been exercised, the Board has the ability to claw back any gains, as described in our “Compensation Discussion and Analysis — Compensation Governance—Compensation Recovery Policies.”

(3) Reflects values of deemed vested options and performance shares under the LTIP. Whether an otherwise unvested option or performance share is deemed vested upon termination is based on the number of points (sum of age and number of years of service) at the time of termination. Mr. Kirkland has more than 90 points, which results in deemed vesting of all unvested LTIP grants held at least one year from the date of grant, or the remaining one-third of the 2010 stock option grant, the remaining two-thirds of the 2011 stock option grant and 100% of the 2011 performance share grant. The 2012 stock option and performance share grants are forfeited upon a 12/31/2012 termination.

Stock option values are calculated based on the difference between \$108.14, the 12/31/12 closing price of Chevron common stock, and the option exercise price as reported in the “Outstanding Equity Awards at 2012 Fiscal Year-End” table, multiplied by the deemed vested options. The value of previously vested options is calculated in a similar manner. The deemed vested options may be exercised within the remaining term and expire on the 10th anniversary of the grant date.

Performance share values are calculated based on \$108.14, the 12/31/12 closing price of Chevron common stock, and a performance modifier of 100%. For a description of how we calculate the payout value of performance shares and the effect of the performance modifier, see Footnote 2 to the “Option Exercises and Stock Vested in Fiscal Year 2012” table, above. A lump sum cash payment is made at the end of the performance period.

(4) Mr. Kirkland is eligible to receive early retirement benefits from the Chevron Retirement Plan and the Chevron Retirement Restoration Plan upon separation from service. His distribution elections and the present value of his accumulated benefits are disclosed in the “Pension Benefits Table,” above.

Mr. Kirkland is also eligible to receive payment from the ESIP-RP and from the Deferred Compensation Plan upon separation from service. His distribution elections and the aggregate balance as of 12/31/12 are disclosed in the “Nonqualified Deferred Compensation Table,” above.

(5) Former Chairmen and Vice Chairmen of the Board of Directors are provided with post-retirement office and secretarial services.

Michael K. Wirth

Benefits and Payments Upon Termination	Termination for Any Reason Other Than Death, Disability or Cause ⁽¹⁾	Termination Due to Disability	Termination Due to Death	Termination for Cause ⁽²⁾
Compensation:				
Base Salary	\$ —	\$ —	\$ —	\$ —
Chevron Incentive Plan	\$ —	\$ —	\$ —	\$ —
Severance	\$ —	\$ —	\$ —	\$ —
Long-Term Incentives — unvested but deemed vested upon termination: ⁽³⁾				
Stock Options	\$ 1,965,146	\$ 1,965,146	\$ 1,965,146	\$ —
Restricted Stock Units	\$ —	\$ —	\$ —	\$ —
Performance Shares	\$ 1,513,960	\$ 1,513,960	\$ 1,513,960	\$ —
Benefits⁽⁴⁾				
TOTAL	\$ 3,479,106	\$ 3,479,106	\$ 3,479,106	\$ —

(1) Includes normal or early retirement and voluntary or involuntary (other than for cause) termination, including termination following a change-in-control. We do not maintain separate change-in-control programs for our NEOs.

(2) Termination for cause results in cancellation of all outstanding LTIP grants, vested or unvested. For grants during or after 2005 that have been exercised, the Board has the ability to claw back any gains, as described in our “Compensation Discussion and Analysis—Compensation Governance—Compensation Recovery Policies.”

(3) Reflects values of deemed vested options and performance shares under the LTIP. Whether an otherwise unvested option or performance share is deemed vested upon termination is based on the number of points (sum of age and number of years of service) at the time of termination. Mr. Wirth has more than 75 points and less than 90 points, which results in pro-rata vesting of all unvested LTIP grants held at least one year from the date of grant.

Mr. Wirth’s stock options held at least one year vest based on the number of whole months from the grant date to 12/31/12. 11/36 of his 2010 grant and 11/36 of his 2011 grant are deemed vested. The remainder of the unvested options, including the entire 2012 grant, is forfeited. Values are calculated based on the difference between \$108.14, the 12/31/2012 closing price of Chevron common stock, and the option exercise price as reported in the “Outstanding Equity Awards at 2012 Fiscal Year-End” table, above, multiplied by the deemed vested options. The value of previously vested options is calculated in a similar manner. The deemed vested stock options may be exercised within the lesser of five years from termination or the remaining term of the option.

Performance shares held at least one year vest based on the number of whole months from the performance period start date to 12/31/12. Two-thirds of Mr. Wirth’s 2011 grant is deemed vested. The remainder of the unvested shares, including the entire 2012 grant, is forfeited. Values are calculated based on \$108.14, the 12/31/12 closing price of Chevron common stock, and a performance modifier of 100%. For a description of how we calculate the payout value of performance shares and the effect of the performance modifier, see Footnote 2 to the “Option Exercises and Stock Vested in Fiscal Year 2012” table, above. A lump sum cash payment is made at the end of the performance period.

Mr. Wirth’s restricted stock units would have been forfeited if his employment had terminated on December 31, 2012.

(4) Mr. Wirth is eligible to receive early retirement benefits from the Chevron Retirement Plan and the Chevron Retirement Restoration Plan upon separation from service. His distribution elections and the present value of his accumulated benefits are disclosed in the “Pension Benefits Table,” above.

Mr. Wirth is also eligible to receive payment from the ESIP-RP and from the Deferred Compensation Plan upon separation from service. His distribution elections and aggregate balance as of 12/31/12 are disclosed in the “Nonqualified Deferred Compensation Table,” above.

R. Hewitt Pate

Benefits and Payments Upon Termination	Termination for Any Reason Other Than Death, Disability or Cause ⁽¹⁾	Termination Due to Disability	Termination Due to Death	Termination for Cause ⁽²⁾
Compensation:				
Base Salary	\$ —	\$ —	\$ —	\$ —
Chevron Incentive Plan	\$ —	\$ —	\$ —	\$ —
Severance	\$ —	\$ —	\$ —	\$ —
Long-Term Incentives — unvested but deemed vested upon termination: ⁽³⁾				
Stock Options	\$ —	\$ —	\$ —	\$ —
Restricted Stock Units	\$ —	\$ —	\$ —	\$ —
Performance Shares	\$ —	\$ —	\$ —	\$ —
Benefits⁽⁴⁾				
TOTAL	\$ —	\$ —	\$ —	\$ —

(1) Includes normal or early retirement and voluntary or involuntary (other than for cause) termination, including termination following a change-in-control. We do not maintain separate change-in-control programs for our NEOs.

(2) Termination for cause results in cancellation of all outstanding LTIP grants, vested or unvested. For grants during or after 2005 that have been exercised, the Board has the ability to claw back any gains, as described in our “Compensation Discussion and Analysis —Compensation Governance—Compensation Recovery Policies.”

(3) Reflects values of deemed vested options and performance shares under the LTIP. Whether an otherwise unvested option or performance share is deemed vested upon termination is based on the number of points (sum of age and number of years of service) at the time of termination. Mr. Pate has less than 75 points, which would have resulted in forfeiture of unvested stock options and performance shares upon a December 31, 2012, termination. Mr. Pate’s restricted stock units would have been forfeited upon a December 31, 2012, termination.

In February 2012, Mr. Pate and Chevron mutually terminated his employment agreement in favor of an agreement relating solely to the vesting of Mr. Pate’s outstanding equity awards, if any, if Mr. Pate’s employment is terminated for any reason on or after August 1, 2019. If Mr. Pate’s employment is terminated on or after that date, Mr. Pate will be subject to the termination provisions of the LTIP as if he had 75 points (the sum of age and years of service), which would result in the deemed pro-rata vesting of stock options and performance shares held at least one year from the date of grant.

(4) Mr. Pate will not be vested in the Chevron Retirement Plan or the Chevron Retirement Restoration Plan if he terminates within five years of his August 3, 2009, employment start date. His distribution elections and the present value of his accumulated benefits are disclosed in the “Pension Benefits Table,” above.

Mr. Pate is eligible to receive payment from the ESIP-RP and from the Deferred Compensation Plan upon separation from service. His distribution elections and aggregate balance as of 12/31/12 are disclosed in the “Nonqualified Deferred Compensation Table,” above.

Equity Compensation Plan Information

The following table provides certain information as of December 31, 2012, with respect to Chevron's equity compensation plans.

Plan Category ⁽¹⁾	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽²⁾	71,826,912 ⁽³⁾	\$ 81.44 ⁽⁴⁾	55,641,966 ⁽⁵⁾
Equity compensation plans not approved by security holders ⁽⁶⁾	644,159 ⁽⁷⁾	— ⁽⁸⁾	— ⁽⁹⁾
TOTAL	72,471,071	\$ 81.44⁽⁴⁾	55,641,966

(1) The table does not include information for employee benefit plans of Chevron and subsidiaries intended to meet the tax qualification requirements of section 401(a) of the Internal Revenue Code and certain foreign employee benefit plans that are similar to section 401(a) plans.

The table also does not include information for equity compensation plans assumed by Chevron in mergers and securities outstanding thereunder at December 31, 2012. The number of shares to be issued upon exercise of outstanding options, warrants and rights under plans assumed in mergers and outstanding at December 31, 2012, was 504,675, and the weighted-average exercise price (excluding restricted stock units and other rights for which there is no exercise price) was \$43.59. The weighted average remaining term of the stock options is 2.45 years. No further grants or awards can be made under these assumed plans.

(2) Consists of two plans: the Long Term Incentive Plan (LTIP) and the Chevron Corporation Nonemployee Directors' Equity Compensation and Deferral Plan (Directors' Plan). Stock options and restricted stock units are awarded under the LTIP. Additional shares are issued under the subplans of the LTIP for certain non-U.S. locations. Restricted stock, restricted stock units, and retainer stock options are awarded under the Directors' Plan.

(3) Consists of 71,540,056 shares subject to stock options (granted under the LTIP or the Directors' Plan), 3,185 shares subject to restricted stock units under the LTIP and 283,671 shares subject to restricted stock units and stock units under the Directors' Plan. Does not include grants that are payable in cash, such as performance shares, stock appreciation rights and some restricted stock units granted under the LTIP.

There are no outstanding rights under the non-U.S. employee subplans to the LTIP as of December 31, 2012.

(4) The price reflects the weighted average exercise price of stock options under both the LTIP and the Directors' Plan. The weighted average remaining term of the stock options is 6.35 years.

(5) An amended and restated LTIP was approved by the stockholders on April 28, 2004. The maximum number of shares that can be issued under the revised and restated LTIP is 160,000,000. The LTIP has 55,411,189 securities that remain available for issuance. An aggregate of 1,888,040 shares issued under the employee stock purchase plans for non-U.S. locations were counted against the limit. Awards granted under the LTIP that are settled in cash or that are deferred under the Deferred Compensation Plan for Management Employees (DCP) will not deplete the maximum number of shares that can be issued under the plan.

The maximum number of shares that can be issued under the Directors' Plan is 800,000. The Directors' Plan has 230,777 shares that remain available for issuance.

(6) Consists of the DCP, which is described in the "Nonqualified Deferred Compensation Table" and related footnotes.

(7) Reflects number of Chevron Common Stock Fund units allocated to participant accounts in the DCP as of December 31, 2012.

(8) There is no exercise price for outstanding rights under the DCP.

(9) Current provisions of the DCP do not provide for a limitation on the number of shares available under the plan. The total actual distributions under the DCP were 54,183 shares in 2012, 149,551 shares in 2011 and 131,875 shares in 2010.

Stock Ownership Information

Security Ownership of Certain Beneficial Owners and Management

The following table shows the ownership interest in Chevron common stock as of March 6, 2013, for (i) two holders of more than 5 percent of our outstanding common stock; (ii) each nonemployee Director and each of our named executive officers; and (iii) all nonemployee Directors and executive officers as a group. As of that date, there were 1,940,428,630 shares of Chevron common stock outstanding.

Name ("+" denotes a nonemployee Director)	Shares Beneficially		Total	Percent of Class
	Owned ⁽¹⁾	Stock Units ⁽²⁾		
BlackRock, Inc. ⁽³⁾	119,964,205	0	119,964,205	6.13%
State Street Corporation ⁽⁴⁾	106,520,361	0	106,520,361	5.40%
Linnet F. Deily+	13,957	4,871	18,828	*
Robert E. Denham+	7,482	37,692	45,174	*
Alice P. Gast+	0	853	853	*
Enrique Hernandez Jr. +	21,890	11,812	33,702	*
George L. Kirkland	865,726	742	866,468	*
Charles W. Moorman+	499	2,568	3,067	*
R. Hewitt Pate	215,223	0	215,223	*
Kevin W. Sharer+	0	22,813	22,813	*
John G. Stumpf+	14,475	1,865	16,340	*
Ronald D. Sugar+	2,023	32,453	34,476	*
Carl Ware+	6,487	31,811	38,298	*
John S. Watson	1,212,625	37,528	1,250,153	*
Michael K. Wirth	773,458	4,935	778,393	*
Patricia E. Yarrington	563,835	24,488	588,323	*
Non-employee Directors and executive officers as a group (16 persons)	4,151,574	230,427	4,382,001	*

* Less than 1%.

- (1) Amounts shown include shares that may be acquired upon exercise of stock options that are currently exercisable or will become exercisable within 60 days of March 6, 2013, as follows: 1,456 shares for Ms. Deily, 20,670 shares for Mr. Hernandez, 781,999 shares for Mr. Kirkland, 191,333 shares for Mr. Pate, 1,113,666 shares for Mr. Watson, 740,000 shares for Mr. Wirth, 549,000 shares for Ms. Yarrington and 435,500 shares for all other executive officers not named in the table. For executive officers, the amounts shown include shares held in trust under the Employee Savings Investment Plan. For nonemployee Directors, the amounts shown include shares of restricted stock awarded under the Chevron Corporation Nonemployee Directors' Equity Compensation and Deferral Plan (NED Plan).
- (2) Stock units do not carry voting rights and may not be sold. They do, however, represent the equivalent of economic ownership of Chevron common stock, since the value of each unit is measured by the price of Chevron common stock. For nonemployee Directors, these are stock units and restricted stock units awarded under the NED Plan as well as stock units representing deferral of annual cash retainer that may ultimately be paid in shares of Chevron common stock. For executive officers, these include stock units deferred under the Chevron Deferred Compensation Plan for Management Employees or the Chevron Deferred Compensation Plan for Management Employees II that may ultimately be paid in shares of Chevron common stock.
- (3) Based on information set forth in a Schedule 13G/A filed with the Securities and Exchange Commission on February 6, 2013, by BlackRock, Inc., 40 East 52nd Street, New York, NY 10022. BlackRock, Inc., reports that as of that date it and its subsidiaries listed on Exhibit A of the Schedule 13G/A have sole voting and dispositive power for all shares reported.
- (4) Based on information set forth in a Schedule 13G filed with the Securities and Exchange Commission on February 11, 2013, by State Street Corporation, One Lincoln Street, Boston, MA 02111. State Street Corporation reports that as of that date it and its subsidiaries listed on Exhibit 1 of the Schedule 13G have shared voting and dispositive power for all shares reported.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires Directors and certain officers to file with the U.S. Securities and Exchange Commission reports of initial ownership and changes in ownership of Chevron equity securities. Based solely on a review of the reports furnished to Chevron, we believe that during 2012 all of our Directors and officers timely filed all reports they were required to file under Section 16(a).