

**CHEVRON CORPORATION
MANAGEMENT COMPENSATION COMMITTEE
CHARTER**

PURPOSE

The purpose of the Management Compensation Committee (the “Committee”) of the Board of Directors of Chevron Corporation (the “Corporation”) is:

1. To discharge the responsibilities of the Board of Directors of the Corporation (the “Board of Directors”) relating to compensation of the Corporation’s executives;
2. To assist the Board of Directors in establishing the appropriate incentive compensation and equity-based plans and to administer such plans;
3. To produce an annual report on executive compensation for inclusion in the Corporation’s annual proxy statement; and
4. To perform such other duties and responsibilities enumerated in and consistent with this Charter.

MEMBERSHIP AND PROCEDURES

Membership and Appointment

The Committee shall comprise not fewer than two members of the Board of Directors, as shall be determined from time to time by the Board of Directors based on recommendations from the Board Nominating and Governance Committee, if any.

The members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Board Nominating and Governance Committee.

Removal

The entire Committee or any individual Committee member may be removed from office without cause by the affirmative vote of a majority of the Board of Directors. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board of Directors, the Corporate Secretary or the Board of Directors (unless the notice specifies a later time for the effectiveness of such resignation). If the resignation of a Committee member is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Chairperson

A chairperson of the Committee (the "Chairperson") may be designated by the Board of Directors based upon recommendations by the Board Nominating and Governance Committee, if any. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings and shall have unlimited access to management and information. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

Secretary

The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board of Directors and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a Director and shall have no membership or voting rights by virtue of the position.

Independence

Each member shall meet the objective test of "independence" which has been established by the Board of Directors, or in the absence of such test, the Board of Directors shall make an individual determination that such Director is independent within the meaning of any applicable law or any listing standard or rule established by the New York Stock Exchange and applicable to the Committee. In addition, each member shall qualify as an "outside director" as such term is defined in section 162(m) of the Internal Revenue Code of 1986 (as amended) and the regulations promulgated thereunder or any successor provisions thereto, and as a "non-employee director" as such term is defined in section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, or any successor provisions thereto.

Delegation

The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or listing standard, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board of Directors when required.

Authority to Retain Advisers

In the course of its duties, the Committee shall have the sole authority, at the Corporation's expense, to retain and terminate compensation consultants, as the Committee deems advisable, including the sole authority to approve any such adviser's fees and other retention terms.

Evaluation

The Committee shall undertake an annual evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this Charter, which evaluation shall be reported to the Board of Directors.

DUTIES AND RESPONSIBILITIES

The following shall be the common recurring duties and responsibilities of the Committee in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law or listing standard.

1. Executive Compensation

The Committee shall:

- a) Review and approve corporate goals and objectives relevant to the compensation of the chief executive officer and other executive officers appraised above Group PSG 30 (the "other executive officers");
- b) Evaluate in conjunction with the Board Nominating and Governance Committee the Chief Executive Officer's performance in light of such goals and objectives at least annually and communicate the results to the independent Directors of the full Board of Directors;
- c) Recommend the amount and basis for the Chief Executive Officer's compensation levels based on the evaluation in (b) above (including annual salary, bonus, stock options and other direct and indirect benefits), with review and approval by the independent Directors of the full Board of Directors;
- d) Set the other executive officers' compensation levels (including annual salary, bonus, stock options and other direct and indirect benefits) with review and ratification by the independent Directors of the full Board of Directors;
- e) In determining the long-term incentive component of the chief executive officer's and other executive officers' compensation, consider, among other items, the Corporation's performance and relative stockholder

return, the value of similar incentive awards to chief executive officers and other executive officers at comparable companies and the compensation provided to the Corporation's chief executive officer and other executive officers in the past;

- f) Establish and modify the terms and conditions of employment of executive officers of the Corporation, by contract or otherwise;
- g) Review new executive compensation programs;
- h) Monitor executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose;
- i) Establish and periodically review policies for the administration of executive compensation programs; and
- j) Modify, as necessary, any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance or not comparable to programs of peer businesses.

2. Executive Compensation Plans

The Committee shall:

- a) Administer the executive compensation plans of the Corporation;
- b) Maintain sole discretionary authority to interpret provisions of the executive compensation plans;
- c) Establish all rules necessary or appropriate for implementing and conducting the executive compensation plans;
- d) Determine, as applicable in connection with the Corporation's executive compensation plans such matters as: eligibility for participation; the amount and timing of benefits; persons to receive awards; the amount, form and other conditions of awards; the manner and form of deferral elections; the creation and issuance of rights or options entitling holders thereof to purchase stock from the Corporation; or when appropriate authorize the purchase by the Corporation of its stock for allocation to the accounts of persons to whom such shares have been awarded;
- e) Administer existing grants under legacy executive compensation plans assumed by the Corporation;
- f) Administer other executive compensation plans that may be adopted from time to time;

- g) Recommend incentive-compensation plans and policies and equity-based plans and policies to the Board of Directors;
 - h) Provide necessary approval to qualify for exemptions as may be established by the Securities and Exchange Commission under section 16 of the Securities Exchange Act of 1934;
 - i) Provide necessary determinations in connection with executive compensation to qualify for tax deductions in excess of limitations under section 162(m) of the Internal Revenue Code; and
 - j) Approve equity compensation plans not subject to stockholder approval under applicable listing standards.
3. The Committee shall produce the annual report on executive compensation for the Corporation's proxy statement.
 4. The Committee shall perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board of Directors, including, but not limited to preparing or causing to be prepared any reports or other disclosure required with respect to the Committee by any applicable proxy or other rules of the Securities and Exchange Commission or any applicable listing standards.

AMENDMENT

This Charter and any provision contained herein may be amended or repealed by the Board of Directors.

APPROVED: Board of Directors
DATE: February 22, 2006