

LETTER OF AGREEMENT

BETWEEN

**SAN JOAQUIN VALLEY BUSINESS UNIT
OF CHEVRON NORTH AMERICA
EXPLORATION AND PRODUCTION COMPANY,
A DIVISION OF CHEVRON U.S.A., INC.
AND**

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-
CIO, CLC
ON BEHALF OF ITS LOCALS 12-6 AND 219**

This Letter of Agreement ("LOA") is entered by and between San Joaquin Valley Business Unit of Chevron North America Exploration and Production Company, A division of Chevron U.S.A., Inc. ("Chevron" or "Company") and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC on behalf of its Locals 12-6 and 219 (collectively "Union") regarding the implementation of a USW Safety Representative position.

In connection with implementing a USW Safety Representative position as discussed, it is agreed that the following terms and conditions shall be in effect on June 11th, 2012.

I. Feasibility

- A. Chevron Management shall closely monitor various factors to determine the success of the USW Safety Representative position.
- B. In determining the success, the following criteria must be met:
 - USW Safety Representative should be a visible leader
 - USW Safety Representative should exhibit Chevron Way Behavior.
 - All USW Represented Employees will support all Company Safety Programs.
- C. Upon thirty (30) days written notice, either the Company or the Union may terminate this LOA. The Company and Union agree that cancellation of the USW Safety Representative position/classification for any reason by either party shall not be subject to the grievance and arbitration provisions of the Articles of Agreement and shall not be cause for any other legal proceeding by either party. The termination shall be effective at thirty (30) days from date of notification. It is also understood that termination of this LOA will result in termination of employee participation in this program by employees represented by the Union.
- D. Any modifications to this LOA during the term of the contract shall be made by mutual agreement. However, if the USW Safety Representative is discontinued for any reason by either party, such cancellation shall not be subject to the grievance and arbitration provisions of the Articles of Agreement and shall not be cause for any other legal proceeding by either party.

II. The following locations ("Location(s)") shall implement one (1) USW Safety Representative position pursuant to this LOA, in the administration of wages, hours and working conditions.

- Midway Sunset
- Kern River

III. USW Safety Representative Guidelines

A. The USW Safety Representative will perform various duties such as, but not limited to:

- Validation and Verification (V&V)
- Managing Safe Work (MSW)
- JSA & Hazard Identification- Field audits
- Participate in SOP creation and validation
- Near miss reporting
- Participation in the JH&S committee meetings
- Participate in Facility Acceptance processes
- Assist as needed on Process Safety (PHA) reviews
- Pre Start Up Safety Reviews (PSSR)
- Participate in RCAs on Company's OSHA recordable incidents in which Chevron personnel was injured
- Support and participate in various safety meetings (field tailgates/ meet & greet/Team etc.)

B. This position will be assigned to Chevron Operations and report directly to a Chevron Supervisor.

C. This position will be subject to an annual effectiveness and performance review performed by the appropriate Chevron Supervisor.

D. The length of this assignment will be for duration of 3 years.

E. This position will be paid at the Head Operator classification rate.

F. This position will be on a 9/80 or 5/40 work schedule.

G. The USW Safety Representative position will be posted following the attached process guide.

H. Successful candidates for USW Safety Representative will be selected using the attached process guide and Candidate Evaluation Form.

IV. Other Administrative Information

A. USW employees will be allowed to hold multiple terms in the USW Safety Representative position, however, the employee will be required to rebid each time a term is over. The employee will also be subject to the current existing job posting and selection process. The employee who holds the USW Safety Representative position for a term will not be guaranteed to hold it for another term.

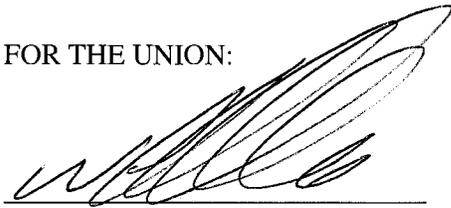
B. The length of assignment will 3 years, unless an unforeseeable occurrence prevents the employee from completing a full 3 years.

- C. The USW Safety Representative position will not be on the USW Master Bid List for temporary or sick leaves.
- D. The employee in the USW Safety Representative position cannot backfill to positions on USW Master Bid List while in this position.
- E. After Serving a Term in USW Safety Representative position:
 - a. The employee will have an opportunity to rebid for the position and be considered as a candidate along with all other candidates who have applied.
 - b. Former Operator:
 - i. The employee who holds the USW Safety Representative position would be entitled to the same classification, schedule and area they held prior to taking the Safety position (unless the classification and area is no longer there due to business needs).
 - ii. The reassignment language per Article V, D, b, in the Articles of Agreement will apply.
 - c. Former Head Operator or Craftsman
 - i. If the employee formerly held a Head Operator or Craftsman Position they will return to their old position that they held prior to the USW Safety Representative position (unless the classification and area is no longer there due to lack of work).
 - ii. The employee that backfilled for the said HO or Craftsman would be bumped and reassigned to an operator position while retaining HO/Craftsman rate.
 - iii. The employee who is bumped will be offered the next vacant HO position.
 - iv. If the employee refuses to take the next vacant HO position, he/she will lose their HO/Craftsman rate and receive Operator rate. The language per Article V, H, 7 in the Articles of Agreement will apply.

This LOA cancels and supersedes all prior LOAs relating to the USW Safety Representative.

Understood and Agreed upon this _____ day of _____, 2015

FOR THE UNION:



William Locke
USW Representative

FOR THE COMPANY:



Idowu Okunzua
SJVB Human Resources Manager