

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, 219 AND 1945

This Letter of Agreement ("Agreement") is made and entered into in accordance with the provisions of the National Labor Relations Act by and between the San Joaquin Valley Business Unit of Chevron North America Exploration and Production Company, A Division of Chevron U.S.A. Inc. ("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, 219 and 1945 ("Union"), collectively the "Parties".

WHEREAS, it is necessary for the Company to undertake certain adjustments to reduce the size of the Company's workforce to address the current challenging market environment ("Transformation").

WHEREAS, the Company has determined to reduce the size of the workforce represented by the Union.

WHEREAS, the Parties recognize that the Company may effectuate the desired workforce reduction in accordance with the procedure established in Article V Section F of the Parties' current Collective Bargaining Agreement ("CBA").

WHEREAS, the Parties wish to pursue a course of action outside of the CBA in an attempt to minimize the impact that the workforce reduction may have and to safeguard long-term interests of the workforce and the business unit.

NOW, THEREFORE, it is agreed as follows:

1. The Company will offer bargaining unit employees an Expression of Interest ("EOI") opportunity for involuntary separation in conjunction with the Company's 2020 Special Surplus Employee Severance Pay Program ("2020 Special SESP Plan").
2. The Company shall consider the submitted EOIs in a manner established by the Company at its sole discretion. Based on business need as determined by the Company and at its sole discretion, the Company shall accept or decline EOIs. The Company's decision on whether to accept or decline an EOI shall be final and binding and shall not be reviewable.
3. The Company has sole discretion in determining the final number of bargaining unit employees to be reduced in accordance with the EOI program ("EOI Employees") or through layoffs if there is an insufficient number of EOI Employees. The Company shall have sole discretion in determining the schedule by which the EOI Employees will be relieved of work duties. The

Company's decisions as to the number of and schedule for EOI employees shall be final and binding and shall not be reviewable.

4. EOI Employees will not be eligible for recall or rehire as described in Article V Section F of the CBA.
5. If there is an insufficient number of EOI Employees, the Company may utilize the procedure established in Article V Section F of the CBA to achieve the necessary workforce reduction level.
6. All EOI Employees and any other employees whose separation is a result of the workforce reduction described in this Agreement will be eligible to participate in the 2020 Special SESP Plan, provided such employees satisfy all other eligibility requirements of the 2020 Special SESP Plan.
7. All Employees whose separation is a result of the workforce reduction described in this Agreement will continue to receive their regular pay for sixty (60) days from the date of their layoff notification, unless the Employee quits, retires, or is terminated for cause during this period.
8. The Company shall have the right to assign employees to fill positions created by the workforce reduction described in this Agreement at its sole discretion. The Company's right to make assignments at its sole discretion is only for the duration of Transformation. Assignment of employees will be as follows:

Head Operators and Craftsman

- a. All Operations Head Operators may exercise their seniority to select from the Operations Head Operator positions in the new organization within the Bargaining Unit, provided they have the qualifications.
- b. All Measurement Head Operators may exercise their seniority to select from the Measurement Head Operator positions in the new organization within the Bargaining Unit, provided they have the qualifications.
- c. All Maintenance Head Operators may exercise their seniority to select from the Maintenance Head Operator positions in the new organization within the Bargaining Unit, provided they have the qualifications.
- d. All Craftsman may exercise their seniority to select from the Craftsman positions in the new organization within the Bargaining Unit, provided they have the qualifications.
- e. If the layoff of an I&E Craftsman would result in a vacant I&E Craft position, the I&E Craftsman will not be laid off, due to qualifications.
- f. If the Head Operator or Craftsman cannot, or chooses not to fill a job under paragraphs (a) through (e) above, they will be placed into the Operator pool ("Operator Pool"). The reassignment of employees in the Operator Pool is set forth in paragraph (h) below.

Operator Pool

- g. All displaced Operators whose positions have been eliminated will be placed into the Operator Pool and shall be reassigned in accordance with the procedure described below in section (h).
- h. The Company shall solicit volunteers. If multiple volunteers are identified, the Company may choose which employee to transfer from across the bargaining unit based on business need. If no volunteers are identified, the Company may re-assign which employee from across the bargaining unit to transfer based on business need.

9. For only the purpose of this Agreement, the Company will waive the twelve-month (12-month) in position requirement in Article V, Section H of the CBA.

This Agreement shall become effective immediately on the date of signing and shall remain effective through January 8, 2021. The Parties may mutually agree to extend the duration of this Agreement.

IN WITNESS WHEREOF, the Parties have agreed upon this Agreement this date July 8, 2020

FOR THE UNION:

Date

FOR THE COMPANY:

Date