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Human Energy®

# U.S. Domestic Relocation Program

For U.S. New Hires With Less Than Three Years Experience  
January 2015

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## Introduction

Congratulations on your new position with Chevron.

Transferring to a new community can be an exciting, yet challenging experience. Chevron has designed this U.S. Domestic Relocation program (Relocation program) to provide financial assistance, professional services and administrative support for you, your spouse or partner and dependent family members.

Please review and familiarize yourself with the provisions outlined in this Relocation program guide. It has been developed to help minimize disruptions to you and your family and provide a smooth relocation experience. As personal circumstances vary, these benefits may not cover all of your relocation expenses or needs. It is not the intent of this Relocation program to provide coverage for all costs that you may incur as a result of your relocation.

None of the information in this Relocation program guide constitutes a contractual agreement — either formal or implied — between an employee and the company. All interpretations as to the employee's eligibility and to policy application rest with the company. The company may eliminate, add or modify any relocation feature at any time without reissuing this information or notifying employees who have been given this information.

## Administration

Chevron has partnered with Brookfield Global Relocation Services (Brookfield, Brookfield GRS) to administer this program and coordinate relocation services. Services with Brookfield are initiated upon acceptance of your job offer.

Brookfield will assign a relocation consultant to be your primary contact throughout your move. Your consultant will work closely with you and your family to coordinate all aspects of your relocation, and will contact you within 24 hours of receipt of your relocation approval to arrange a mutually convenient time to review relocation benefits and procedures.

**Do not contact any real estate agents, in either your current or your new location, until you have submitted a Chevron Relocation Authorization form and have been contacted by your relocation consultant.**

Relocation benefits provided are limited to those outlined in this Relocation program guide. You are encouraged to read this document thoroughly and address questions to your relocation consultant. You will be responsible for any expenses incurred that are outside the parameters of the Relocation program and that have not been approved in advance.

## Definitions

Following are terms that are used in the Chevron Relocation program and their corresponding definition:

|                                      |   |
|--------------------------------------|---|
| <b>Domestic Partner</b>              | Before receiving any domestic partner benefits, you must register your domestic partnership affidavit with Chevron's Human Resources Services Center (time sensitive restrictions apply).   |
| <b>Hire Date</b>                     | The date of your job offer acceptance.  |
| <b>Home Finding Services</b>         | Comprehensive assistance finding a new primary residence to purchase or rent in your new work location.   |
| <b>Home Selling Services</b>         | Comprehensive assistance selling your current primary residence at your current primary work location.  |
| <b>Primary Residence</b>             | The house/apartment/dwelling where you (and your eligible family) currently reside full time, within reasonable daily commuting distance of your work location, and identified as your principal residence for IRS tax reporting. |
| <b>Relocation Allowance Lump Sum</b> | A one-time payment made to you to offset the anticipated costs of your house-hunting trip, temporary housing and return trips from your new work location to your current location.   |
| <b>Start Date</b>                    | The day you begin employment with Chevron.  |
| <b>Tax Assistance</b>                | Required payment to taxing authorities resulting from taxable relocation benefits provided by the company, and made on your behalf by the company. Also known as gross-up.  |
| <b>Tax Withholding</b>               | Required payment to taxing authorities resulting from taxable relocation benefits provided by the company, and for which taxes are withheld from your wages.  |

## Eligibility

### Employee Eligibility

You must be a full-time new hire exempt U.S. payroll employee, relocating at company request, to a position offering relocation assistance.

Your relocation must result in a change of your primary residence. Your new primary residence must be within a reasonable daily commuting distance of, and significantly improve your daily commute to, your new work location.

### Dependent Eligibility

The Relocation program applies to your spouse or registered domestic partner. For purposes of this Relocation program, your eligible family is defined as your children and close relatives who meet **all** of the following requirements:

- Live with you when you are notified of your hire date.
- Will live with you at your new primary residence.
- Qualify as a dependent as defined by Internal Revenue Service (IRS) guidelines.
- Are financially dependent upon you and are claimed by you on your federal tax return for the year prior to your approved relocation.

**If your spouse/registered domestic partner is also a Chevron employee, and you are both being transferred, only one relocation benefit package will be provided.**

The Relocation program does not cover any expenses related to relocating domestic staff.

### IRS Eligibility Guidelines

Eligibility for this Relocation program is subject to current federal statutes regarding distance, time and length of employment as defined by the IRS and as outlined below:

- The distance over the shortest, most commonly traveled route from your old home to your new principal work location must be at least 50 miles farther than from your old home to your old principal place of work. As a new hire employee, if you do not have an old principal place of work, the distance from your old residence to your new principal work location must be at least 50 miles.
- You must be employed full-time in your new location for at least 39 weeks during the 12 months immediately following your move, unless you are requested to relocate again, become disabled or are laid off.
- You must complete your relocation within one year following start of work in your new location.

You are expected to locate centrally within metropolitan areas where Chevron has more than one facility. In such areas you will be ineligible for the Relocation program in the future, even if the 50-mile test is met.

### Repayment Agreement

You will be required to sign a Repayment Agreement prior to receiving relocation benefits. Your relocation consultant will provide the Repayment Agreement, which you must sign and return before you are eligible to receive any relocation assistance.

If you voluntarily terminate your employment with Chevron or are terminated for cause within two years of your payroll start date, your relocation benefits will cease and you will be required to repay any relocation benefits received by you or others on your behalf based on a prorated amount.

**Additionally, if you receive any relocation benefits and subsequently do not start your job, you must repay the full amount, including any money you may have spent.**

### Exceptions

Many aspects of your relocation are personal and specific to you, and if applicable, your family. The program cannot anticipate every personal circumstance, and does not provide specific assistance for all situations. The Miscellaneous Expense Allowance (MEA) is provided to assist with costs not specifically provided for elsewhere in the Relocation program. In general, exceptions to policy are only approved in specific and extraordinary circumstances.

Any requests for exceptions to the Relocation program and procedures require a written, defined business case, sent directly to your relocation consultant who manages the exception decision process. Final approval authority for all exceptions belongs to Chevron's Global Relocation Manager and the manager of Human Resources Shared Services. Failure to follow this process may result in personal expense or inconvenience to you.

**Chevron does not provide substitution or cash-equivalent payments for unused benefits, or portions thereof.**

### Expense Administration

For reimbursement of eligible relocation expenses, you must complete a *Chevron Relocation Expense (GO-1390)* form within 30 days of having incurred the expense. You will submit your GO-1390 to Brookfield for processing. It is your responsibility to provide and submit receipts and any other requested documentation to support your relocation expenses. The *Chevron Relocation Expense (GO-1390)* form is found on the [Relocation website](#) or [Forms Management website](#).

If applicable, you must **not** use your Chevron corporate credit card to pay for any relocation expenses, nor process any relocation related expenses (such as airfare, lodging or meals) in Travel and Expense Accounting (TEA). **Failure to follow this practice may result in unreported earnings and possible tax penalties to you and the company.** Chevron will not assist with any penalties if incurred.

Relocation payments cannot be deferred once your effective payroll start date has passed.

## Tax Assistance

Most relocation benefits received, whether reimbursed directly to you or paid on your behalf are taxable income and added to your *W-2* wages.

Chevron provides tax assistance to offset some of the additional taxes you will incur on eligible relocation benefits.

Tax Assistance/Gross-up, where applicable, is provided at the time your reimbursement or payment is processed into Chevron's payroll system. Each section of the program guide will identify whether tax assistance is provided or if applicable taxes will be withheld.

A year-end Tax True-up analysis is completed in late November to determine if you qualify for any additional tax assistance based on your actual or annualized salary.

The Tax section at the end of this program guide provides further details on the tax assistance process and how your relocation benefits are reported for income purposes.

Neither Chevron nor Brookfield can advise you on your personal tax situation. We recommend that you consult a professional tax adviser who is familiar with relocation tax rules.

## Other Provisions

### Change in Residence

The benefits provided under this Relocation program are offered because you will change your primary residence. Failure to do so may result in your requirement to repay Chevron for any relocation benefits provided.

### Benefit Expiration

All relocation benefits, and related expense reports must be completed by the one year anniversary of your start date.

### Direct or Indirect Family Benefit

You or members of your immediate family cannot directly or indirectly benefit financially from relocation-related services paid for by Chevron. Chevron will not reimburse you, an immediate family member, or other relative for any services performed. This includes, but is not limited to, real estate services, inspections or repairs.

### Leave of Absence

If you are granted a leave of absence, including an unpaid personal leave, relocation benefits that you have not yet exercised will be held in abeyance until you return from your leave of absence. The duration remaining in your relocation benefits eligibility after you return to work is the remaining duration of your relocation benefits eligibility when you first took a leave of absence. If you resign from a leave of absence, you will be required to repay Chevron for relocation benefits you received under the terms of the Repayment Agreement and based on the duration of your active employment.

### Relocation Program Enforceability and Ownership

Nothing in this material constitutes a contractual agreement between you and Chevron, either formally or implied.

Chevron's U.S. Relocation programs are administered by HR Shared Services. HR Shared Services is solely responsible for the content updating and administration of the program including but not limited to, eligibility criteria, benefit determinations, exception management and supplier selection. Chevron may eliminate, add to or modify any portion of the Relocation program without notice, at any time, and without reissuing this guide or notifying anyone to whom it has been given.

This Relocation program does not cover every potential relocation circumstance. If you are unsure of the application of benefits, please contact your relocation consultant.

## Starting Your Relocation

Your relocation can only be initiated after you have cleared the pre-employment contingencies outlined in your offer letter and your start date has been established. Once you have cleared, you will receive an email with instructions on how to initiate your relocation request.

To begin your relocation, complete the Chevron Relocation Authorization Form online. A link to the form is found on the [HR2 Relocation Webpage](#). After submission your request will be routed to your Human Resources contact for approval. Once approved, you will be contacted within 24 hours by Brookfield to notify you of your relocation consultant assignment.

## Benefits Common to All Employees

### Local Relocation Benefits

The local relocation benefit applies if you were hired less than 50 miles from your Chevron work location. You will receive a Miscellaneous Expense Allowance (MEA) payment of two weeks base salary, less taxes. **No other relocation benefits are provided.** You are required to provide proof of change of residence to receive the local relocation benefit.

### Miscellaneous Expense Allowance (MEA)

Your Miscellaneous Expense Allowance (MEA) is a one-time payment provided to assist you with relocation expenses not specifically provided for elsewhere in this program, or those that exceed the limits within this program.

Your MEA is equal to two weeks base salary.

**Your MEA is yours to use at your discretion and receipts or pre-approval are not required.**

Your MEA is paid in the first or second pay period after your start date. Alternatively, you can request that Brookfield advance up to 60 percent of your MEA no sooner than 30 days prior to your start date. The remaining balance is withheld in anticipation of tax withholding once the payment is processed by Chevron payroll. If you request an advance payment it will be made directly into a designated U.S. bank account via ACH transfer. Payment cannot be made to banks outside the United States.

Examples of expenses that you can use your MEA for include, but are not limited to:

- Driver's license and vehicle registration fees.
- Rental vehicles, parking and tolls.
- Hotel and meal expenses for extra days in your old location after your household goods have been packed.
- Additional temporary housing or duplicate housing costs.
- Additional household goods services, weekend/holiday service, tips to movers or storage over 60 days.
- Additional pet transporting and kennel costs.
- Dismantling/Reassembling playground equipment, swimming pools, greenhouses and other leisure equipment.
- Appraisal of antiques or other valuables.
- Non-refundable annual club or membership dues or cancellation of maintenance contracts.
- Installation or connection fees, including cancellation penalties for utilities (gas, water, and electric) and communication services (such as cable, mobile phone, internet and satellite television).
- Cleaning or decorating of your departure or destination residence.
- Residence structural modifications to accommodate furnishings and appliances.
- Excess tax liability that exceeds provided tax assistance as a result of relocating.
- Other miscellaneous expenses not provided for in the Relocation program.

Your MEA is taxable income and all applicable taxes will be withheld.

### Relocation Allowance For Home Finding and Temporary Housing

In addition to your MEA, you will receive a one-time Relocation Allowance lump-sum payment provided to assist with the following benefits of the Relocation program:

| Benefit                            | Provision  |
|------------------------------------|--|
| <b>Home Finding Allowance</b>      | Calculated to include travel costs, lodging and meals for you, your spouse/registered domestic partner and any accompanying eligible dependents.   |
| <b>Temporary Housing Allowance</b> | Based on 30 days of temporary housing for you, your spouse/registered domestic partner and any eligible dependents who will be relocating with you. It also includes a one-time allowance of \$500 for your temporary housing setup. |

Your Relocation Allowance provides maximum flexibility to manage your relocation benefits while easing the administrative burden of submitting expense reports. You may keep any unused funds. Conversely, if your expenses exceed your Relocation Allowance, the additional expenses will be your responsibility.

The following additional provisions apply:

- Your Relocation Allowance is based on your destination and departure locations, and family size.
- Your Relocation Allowance is paid in your first or second pay period after your payroll start date. Alternately, you may request an advance of up to 90 percent of your Relocation Allowance, together with your MEA, no sooner than 30 days prior to your start date.

Your Relocation Allowance is taxable income and the payment is tax assisted.

### Home Finding

You are provided with assistance in finding a home in your destination. Your relocation consultant will work with you in selecting an agent to help you find a home to purchase or rent in your new location. **Do not contact a real estate agent or submit a purchase agreement on a house before you speak to your relocation consultant.**

The home finding component of your Relocation Allowance is based on the following:

|                       |   |
|-----------------------|---|
| <b>Duration</b>       | 3 nights/4 days   |
| <b>Lodging</b>        | 3 nights  |
| <b>Meals</b>          | 4 days  |
| <b>Transportation</b> | Mileage - if new location is less than 400 miles from your current location;<br>Airfare - if your new work location is 400 miles or more. |
| <b>Rental car</b>     | Based on an average intermediate car (if new location is further than 400 miles from your current location).                              |

Before you take your home finding trip it is recommended that you:

- Begin gathering financial data for rental credit or mortgage loan application purposes.
- If purchasing, speak with each of the Chevron approved mortgage lenders to discuss your mortgage options, obtain rates and pre-qualify or be pre-approved for a mortgage amount.
- Review the “New Home Purchase Closing Costs” section of this guide to learn about the costs that Chevron reimburses when you use an approved and a non-approved lender.

If purchasing a home in your new location, you are also strongly encouraged to:

- Complete the inspections and surveys recommended by your relocation consultant. You will be reimbursed for any relocation consultant recommended inspections and surveys.

- Work with your relocation consultant and real estate agent to ensure that your purchase offer is appropriate and complete.

### Temporary Housing

Your temporary housing benefit begins the day after you arrive in your new location and your allowance is based on 30 days of furnished corporate accommodations, plus a \$500 Set-up Allowance. Your set-up allowance is provided to assist you with purchasing miscellaneous household items.

You should discuss your anticipated temporary housing needs with your relocation consultant. For extended stays your relocation consultant may be able to assist you with arranging month to month apartment rentals.

### Final Move Travel

You will be reimbursed actual and reasonable expenses for you and your eligible family members to travel from your current location to your new location. Travel reimbursement requires that your travel progresses a minimum of 400 miles per day via the most direct route.

Speak with your relocation consultant to discuss your personal circumstances and to understand the reimbursements for which you will be eligible for prior to planning travel to your new location.

Reimbursement is based on the distance from your current home to new work location:

The following provisions apply:

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|----------------|--|
| <b>Mileage</b> | Reimbursement of mileage at the current Chevron business mileage reimbursement rate for up to two vehicles per family.<br><br>If you have at least one additional licensed driver in your family relocating with you, Chevron will reimburse mileage on a third vehicle your family member drives to your new work location.                                     |
| <b>Airfare</b> | Airfare should be purchased through Chevron's designated travel provider, and must comply with the Chevron Travel Policy. Only a 14 to 21 day advance economy one-way ticket directly from your departure work to new destination work location can be purchased. You must identify this travel as relocation and utilize your personal credit card for payment. |
| <b>Lodging</b> | Reimbursement of actual, reasonable lodging expenses including one night at your current and new locations (if needed) and for each travel day, if driving, is provided.   |
| <b>Meals</b>   | A meal per diem is provided: <ul style="list-style-type: none"> <li>• \$30 each, for you and your spouse/registered domestic partner</li> <li>• \$15 for each eligible dependent traveling with you.</li> </ul>  |
| <b>Towing</b>  | If you tow a boat, camper or other trailer during your trip, you will receive an additional \$.08 per mile mileage reimbursement.  |
| <b>Pets</b>    | Chevron reimburses you a maximum of \$350 (total) for the cost of transporting up to two household pets. This includes any transportation costs and/or hotel pet fees. It excludes any veterinary or kennelling costs.   |

## Family Travel

If you precede your family to your new work location, your family is eligible to drive or fly to your new work location, once they are ready to join you.

The following restrictions apply:

- If you stay with friends or relatives en route, lodging costs or host gifts will not be reimbursed. You may, however, claim the meal per diems as applicable.
- Only one final move expense per family member is reimbursed.
- All family member travel must be completed within one year of your start date.

Reimbursement for meals and mileage (when driving) in excess of the IRS guideline are taxable income and are tax assisted. Other transportation and lodging expenses to your new location are excluded from taxes and are not reported as income.

## Household Goods Shipment

Chevron provides a full-service move including packing, shipping, and unpacking your household goods and personal effects from your departure residence to your destination residence. You will be assigned a designated mover by Brookfield.

The following provisions apply:

- Even if your eligible dependents temporarily remain at your old home location, **only one Chevron-paid household goods shipment is provided.**
- Weekend pickup and delivery is not included.
- It is recommended that you give 3 weeks' advance notice to your designated movers for the best availability of packing and delivery dates.
- Chevron will not reimburse any costs incurred if you do not use your assigned mover or if you self-move, including rental fees, materials, mileage, fuel or other costs.

Most normal household furnishings can be shipped; however, Chevron Global Relocation has sole discretion for making shipment eligibility decisions.

| <b>Excluded items include, but are not limited to, the following:</b>   |   |
|---|---|
| Ammunition, flammables, explosives, combustibles, aerosols, paint.  | Plants and shrubbery, lumber and firewood, bricks, cement, sand and building materials of any kind.                                       |
| Disassembled or non-operational vehicles (or parts of vehicles).  | Aircraft of any size and watercraft over 14 feet or that will not fit into the moving trailer.  |
| Perishable items, including food and alcohol and items which may cause contamination or damage to your goods; such as home or garden chemicals.                                       | Outside structures such as:<br>Gazebos, playscapes, swings, storage sheds, greenhouses, forts, playground equipment and satellite dishes. |
| Personal or commercial machinery and equipment of any type; such as farm or hobby equipment that cannot be easily lifted and loaded by hand or transported with your household goods. | Trailers; campers; motor homes; motorized vehicles of excess size or value; unregistered, classic, or antique vehicles.                   |
| Dog kennels or fencing.   | Swimming pools, hot tubs, Jacuzzis, Saunas.   |

## Storage

Chevron provides for storage of your household items for up to 30 days. The location of provided storage is at the sole discretion of your designated mover and Chevron Global Relocation. Once placed in storage you will be unable to access your goods without personally paying for any associated warehouse

access fees. When you are ready to take delivery of your goods, please allow 10 days to schedule their delivery from storage. If you need to store your items for longer than 30 days you will be responsible for the additional cost and payment arrangements are made directly with your designated mover.

**Valuation Coverage**

Up to \$100,000 of replacement value coverage is provided for your goods during shipment and storage. If additional valuation coverage is needed, you may purchase it through your carrier at your expense.

Antiques, fine arts, jewelry, valuable collections or any unique items will require specific itemization and a pre-move appraisal at your expense to determine if they are included in your provided valuation coverage.

**Additional Restrictions:**

- **Small Shipments:** If your household goods weigh 300 pounds or less, you should ship them via a parcel service such as FedEx, UPS or USPS. Chevron will reimburse you for reasonable shipping costs, including insurance for loss or damage.
- **Valued Inventory:** All items valued at \$100 or more must be listed individually on your valued inventory form; submitted to your relocation consultant *before* your shipment in order to receive replacement value coverage.
- **Firearms:** The shipment of any firearms may be restricted by your designated mover at their discretion. Handguns and pistols will not be shipped. If you ship eligible firearms, you must include the make, model, serial number and dollar value on your valued inventory form.
- **High Valued Items:** The value of high cost items you ship must be verifiable through either your original purchase documents or professional appraisals (at your own expense) and submitted to the selected carrier prior to your move.

**Your Household Goods Shipment Process**

You, or a designated representative, must be present during the packing, loading and delivery of your household goods. Chevron and your designated mover are not responsible for items that you pack, ship, or place in storage on your own.

Your designated mover will provide you with a post-move survey to complete. Please return your survey as soon as possible. The amount your designated mover bills Chevron for your move will be based, in part, on the rating you provide on your post-move survey.

|                            |   |
|----------------------------|---|
| <b>Move Survey</b>         | <ul style="list-style-type: none"> <li>• Your designated mover will coordinate a time for a representative of their company to visit your home to assess the size and cost of your move, determine the items to be crated and identify any potentially excludable items. If you are a renter your survey may be done by telephone interview.</li> </ul>   |
| <b>Packing and Loading</b> | <ul style="list-style-type: none"> <li>• Ensure that valuable items such as jewelry and cash are removed from your home or placed in a secure area.</li> <li>• If applicable, segregate items by destination.</li> <li>• Your packing crew will prepare an inventory as items are being packed. Packing cartons are labeled at that time.</li> <li>• Discuss the condition of particular items and any special handling needs with your driver. Make additional comments as necessary on your inventory sheet.</li> <li>• Keep your copy of your inventory and bill of lading with you and have them with you at your new location.</li> <li>• If possible and for their safety and the safety of the crew children should not be present during the packing and loading of your goods.</li> <li>• Your designated mover’s representative (surveyor or driver) will make a final decision on items require crating as well as if your vehicle(s) are</li> </ul> |

|   |   |
|---|---|
|   | loaded on the same truck as your household goods or shipped by a separate car carrier service.  |
| <b>Pick-up and Delivery</b>               | <ul style="list-style-type: none"> <li>• <b>Secondary pickup:</b> If needed your designated mover is authorized to make an additional pick-up of your personal items if they are stored within 50 miles of your primary residence, as long as they are included with the same shipment with the rest of your household goods.</li> <li>• <b>Delivery window:</b> Once you finalize the date of the pickup of your goods you will be advised of the date range for your delivery. This is called the <i>delivery window</i>. Your designated mover is obligated to deliver your goods within the delivery window.</li> <li>• <b>Partial Delivery to Temporary Housing:</b> You can elect to have a partial delivery of goods to your temporary housing if applicable. Your goods must be separated at your origin residence. Once delivered you are responsible for moving these goods to your permanent residence.</li> </ul>   |
| <b>Unloading and Unpacking</b>            | <ul style="list-style-type: none"> <li>• Use your copy of your designated mover's inventory to check off each item as it is unloaded. Note damaged or missing items on the carrier inventory.</li> <li>• Your designated mover is authorized to unpack, unwrap and place items on the nearest flat surface.</li> <li>• You may unpack some articles yourself, however immediately document (with photographs if possible) any damage and leave the damaged item in the packing paper and carton in which it was delivered.</li> <li>• After delivery, if requested your designated mover will return once to your home to pick up packing materials such as paper and boxes. Any additional debris pick-up or disposal is at your expense.</li> </ul>   |
| <b>Appliance and Third Party Services</b> | <ul style="list-style-type: none"> <li>• Chevron provides basic disconnection and/or reconnection of your normal household appliances. This does not include installing new vents, wiring or tubing that may be necessary to reconnect these items.</li> <li>• Your designated mover will arrange third party services for: <ul style="list-style-type: none"> <li>○ Preparation and reassembly of grandfather clocks.</li> <li>○ Disassembly and reassembly of pool tables.</li> <li>○ Piano movement.</li> </ul> </li> </ul>  |
| <b>Loss and Damage Claims</b>             | <ul style="list-style-type: none"> <li>• <b>Property Damage:</b> If damage to your residence occurs notify your designated mover immediately. Claims for damage to your residence must be filed directly with your designated mover within 24 hours of occurrence.</li> <li>• <b>Vehicle Damage:</b> A separate claim must be filed with your carrier if there is any damage to your vehicles.</li> <li>• <b>Filing a claim:</b> We recommend that you file any damage claims as soon as possible after delivery of your household goods. The maximum time allowed for you to file a claim is six months after delivery of your household goods. Your move coordinator will provide guidance on filing a claim. <ul style="list-style-type: none"> <li>○ You can only file one claim for lost or damaged household goods with your designated mover per move. Please inspect your household goods for damage when unpacking.</li> <li>○ Do not discard or purchase replacement items of damaged goods. Your designated mover will not pay claims until your designated mover's representative has inspected the damage.</li> </ul> </li> <li>• <b>Minimal Loss:</b> If your total loss or damage is estimated to be minimal (less than \$100), a claim will not be processed.</li> <li>• <b>Repair/Replacement:</b> Whenever possible, damaged items are repaired. If an item cannot be repaired your designated mover will reimburse you for the full replacement value of a comparable item. Please note that your carrier is entitled to salvage rights for any item on which you are provided full replacement value. Your designated mover is responsible for deciding if</li> </ul> |

|                                       |  |
|---------------------------------------|--|
|                                       | <p>an item can be repaired or must be replaced.</p> <ul style="list-style-type: none"> <li>• <b>Electronics:</b> Your designated mover will not assume responsibility for proper functioning of electronics and appliances after delivery, because their condition before shipment cannot be verified. This includes but is not limited to stereos, televisions, washing machines and computers. External damage must be noted for claims consideration.</li> </ul>  |
| <p><b>Employee Responsibility</b></p> | <p>The following is a general list of your household goods shipment responsibilities. It is not all inclusive, so if you encounter situations which are not addressed, contact your relocation consultant for direction.</p> <ul style="list-style-type: none"> <li>• All items to be moved should be easily accessible. Items in crawl spaces, attics, garage rafters and similar areas should be brought to an accessible ground floor area in your home.</li> <li>• Remove fencing as necessary in order to access items to be moved.</li> <li>• Disconnect/reconnect, drain and fill hot tubs and water beds.</li> <li>• Disassemble/reassemble gas stoves, portable basketball goals and trampolines.</li> <li>• Disassemble/reassemble items such as bookcases, shelving or other storage units.</li> <li>• Reassemble any items that were not disassembled by your designated mover.</li> <li>• Prepare computer items for shipping (disassemble desktop from peripherals). <b>Note:</b> shipping insurance only covers hardware not content.</li> <li>• Dispose of propane or butane tanks and any fuel storage containers.</li> <li>• Complete any structural alterations required to access or deliver any household goods items.</li> <li>• Ensure your goods fit into your new house. Chevron will not pay for furniture hoisting for items that will not fit through a door casement or stairwell.</li> <li>• Removal of any affixed items (such as window rods and treatments, lighting or ceiling fan fixtures or stereo system equipment), that are not included in the sale of your home. You will need to replace affixed items that you remove with others of similar quality.</li> </ul> |

Most payments made by Chevron for the shipment and storage of your household goods are not taxable, and are not reported as taxable income.

## Spouse/Domestic Partner Employment Search and Family Assistance

Chevron provides up to \$2,500 of spouse/registered domestic partner employment search and family assistance.

Chevron has selected IMPACT Group as its preferred service provider to offer a wide range of employment search and family assistance services. Their services are initiated by your relocation counselor and directly billed to Chevron.

If your spouse/domestic partner chooses to forgo or use only a portion of the formal assistance offered, you are eligible for reimbursement of approved employment search expenses, up to the benefit allowance amount.

You can use these services in any combination.

The reimbursement or payment of all employment search and family assistance services are taxable income and are tax assisted.

## Employment Search

IMPACT Group offers a variety of job search services including job market information, local contacts, job search strategies, resume development and other support services. Alternately, your spouse or domestic partner can use the benefits to be reimbursed for recertification or relicensing expenses, such as tests and classes provided:

- Your spouse/domestic partner is actively employed in the certified or licensed profession on the date you are offered relocation with Chevron.
- The certification or license is not transferable from your current location to your new location.
- Recertification or relicensing in your new location is obtained.

It is not the intent of this provision to reimburse your spouse/domestic partner for the costs of starting a new business or gaining new skills. Reimbursement is provided to assist with costs incurred by your spouse/domestic partner in obtaining needed credentials to gain employment in your new location in licensed professions including, but not limited to, teaching, law, medicine, real estate or accounting. A copy of the certificate or license from your current location, as well as a copy of the certificate or license from your new location, is required for reimbursement. The following are not reimbursed:

- Transportation costs, including interview trips, meals or babysitting expenses while job hunting.
- Business setup expenses such as stationery and business cards.
- Lease cancellation penalties for office space at your current location.
- Loss of consumable items such as stationery and business cards.
- Fees or expenses for day care facilities or private schools for your children.
- Continuing education classes, seminars or workshops.

## Family Assistance

A variety of family assistance services are also available through IMPACT Group. Your counselor will work with you to help develop an assistance plan that best meets your family needs. Services include:

- Needs assessment or pre-departure telephone consultation.
- Where available, accompanied assistance with customized settling-in tasks.
- Customized area information and assistance with settling in.
- Education assistance services including a general overview of local public and private schools, performance statistics, enrolment procedures, contact information and other information compiled by local education authorities.

## Additional Resources

### Employee Assistance & WorkLife Services

Chevron's Employee Assistance & WorkLife Services is a confidential counseling service that can help you address a broad range of personal, family, and work-related concerns or problems. More information is available on the Chevron Human Resources home page.

Telephone: 1-800-860-8205

## Renter Assistance

### Lease Cancellation (Departure)

If you are a renter and incur lease cancellation penalties on your house or apartment, you can be reimbursed for the equivalent of up to two months' rent. Required deposits or charges such as those for cleaning, pets, damage and security are not lease penalties and are not reimbursed. You will not be reimbursed for lost rental incentives such as free rent or rate reductions that were offered when you signed your lease and must now be repaid. Chevron may reimburse rent paid in-lieu of lease break penalties, but only when your apartment is vacant and after your start date has passed.

Your lease agreement indicating the amount of the lease cancellation penalty, and verification that a lease cancellation penalty was paid are required for reimbursement.

Lease cancellation reimbursement is taxable income and tax assistance is provided.

### Rental Finding Assistance (Destination)

Chevron reimburses up to \$750 for rental finding assistance in your new location. Your relocation consultant will provide you with a local resource for this service. A receipt is required for reimbursement.

Rental finding assistance reimbursement is taxable income and tax assistance is provided.

## Homeowner Assistance

If you own a home in your current location that you wish to sell. Chevron provides comprehensive home marketing benefit to assist you with the sale of your home in your departure work location and assistance with securing a residence in your new work location.

| Departure Real Estate Benefits   | Destination Real Estate Benefits  |
|--|---|
| <ul style="list-style-type: none"><li>Home Marketing Assistance.</li></ul> | <ul style="list-style-type: none"><li>Home Finding Assistance</li><li>Mortgage/lender services.</li></ul> |

### Home Marketing Assistance

The Home Marketing Assistance program provides you with professional assistance in securing a buyer for your home at the highest price and in a reasonable timeframe. Your relocation consultant is your advocate and will guide you through the listing and sale process. **You must contact your relocation consultant prior to contacting any real estate brokers or agents to remain eligible for the Home Sale Program.**

### Approved Real Estate Broker/Agent

Your relocation consultant recommends approved real estate agencies (Brokerages) that have successfully sold homes similar to yours, have experience in your location and are knowledgeable about relocation home sales. The Broker is the principal of the Brokerage. A real estate agent works for the Broker. You can request a broker/agent not referred by Brookfield, however that broker/agent will be required to meet all program requirements, including payment of a referral fee, prior to being approved to provide a marketing proposal. "Real estate agent(s)" is used from this point forward to describe this relationship.

### Broker Market Analysis (BMA) and Real Estate Agent Selection

A BMA is a written housing market analysis that compares your home to similar properties in your area that have recently sold, as well as to those currently for sale. You will select two Brokerage firms from Brookfield's approved list to prepare your initial BMA's. An agent selected from each Brokerage will tour your home and note its features along with any repairs or improvements that may be needed to enhance marketability. The selected real estate agents will complete BMAs, meet with you to discuss their

experience, the services of their real estate firm, and the marketing plans they propose if selected to list your home for sale.

Each BMA will provide a Suggested List Price and a Most Likely Sales Price. If the initial BMA values are outside of a 5 percent variance on the average of their Most Likely Sales Price you will be asked to select a 3<sup>rd</sup> real estate agent to complete a third BMA to be ordered by your relocation counselor. The two closest BMA Most Likely Sales Price values will be used to determine your BMA average.

The completed BMAs are provided to you after review by your relocation consultant. Your relocation consultant will assist you with evaluation and selection of a real estate agent to list your home for sale.

### **Marketing Plan and Property Listing**

Your relocation consultant will assist you with developing a marketing plan. He or she offers recommendations including any suggested repairs or enhancements that may be needed to generate a sale.

It is important that your home is priced competitively when first listed for sale, since the greatest buyer and agent interest typically occurs within the first 30 days.

### **Destination Home Purchase Assistance**

Chevron provides you with assistance if you choose to purchase a home in your new work location. This assistance includes:

- Preferred mortgage program offering discounted rates and closing costs.

### **Preferred Lenders**

Chevron has contracted with four preferred lenders to provide you with choice in securing a loan for purchasing a new home. You should speak with one or more of these lenders to understand how much you are qualified to borrow and what documentation you will need for your new mortgage.

When using a Chevron preferred lender the benefits include:

- Pre-approval documentation to assist you in the purchase of a new home.
- Competitive interest rates.

### **Tax Assistance**

All domestic Relocation program participants receive tax assistance as outlined in this program guide. If you are subject to the Expatriate Tax Equalization program during any portion of the calendar year, your tax assistance will be managed through that program. Please consult your Chevron Global Mobility Assignee Counselor for more details.

### **Tax Assistance (Gross-Up)**

Chevron will provide tax assistance, when noted, for the estimated Federal Income Tax (FIT), and destination State Income Tax (SIT), on your relocation benefits. Chevron uses supplemental income withholding rates as the basis for calculating your tax assistance payments. Tax assistance payments are remitted directly to the appropriate taxing authority and reported as withheld taxes on your W-2 Wage and Tax Statement. The tax gross-up amount will be included in your pay check in addition to any relocation expense reimbursements you receive. The "tax on tax" formula is used in calculating your tax assistance accounts for the taxes which are due on your taxable, tax assistance payment.

Chevron does not assist with Social Security or Medicare (OASDI), or Local taxes. These taxes will be withheld from your income.

Relocation tax assistance is designated on a separate line item on your paystub; "Relo Exp Tax Assistance."

### **Tax True-up and Year-End Expense Freeze and Tax Adjustment**

The annual Tax True-up, is completed in November, and evaluates your total tax assistance to ensure that you have received the appropriate tax assistance on your taxable relocation reimbursements. Necessary adjustments are typically made on your second paycheck in December.

To guarantee the inclusion of all of your relocation expenses in the annual tax true-up, Chevron payroll imposes a relocation reimbursement black out period starting with the second payroll in November. The actual cut-off date for the submission of expenses for reimbursement during the year varies. You will be notified in October, via e-mail, of the actual cut-off date for the year.

Depending on your individual circumstances the tax assistance you receive from Chevron may be more or less than the taxes you actually incur as a result of your relocation. Your MEA assists with any shortfall.

The following is a description of the year-end tax true-up:

1. Your Federal tax liability, excluding relocation reimbursements, is estimated using:
  - a. Your Chevron Sourced Income.
  - b. Statistical itemized deductions or your standard deduction if you are unable to itemize.
  - c. Your anticipated tax return filing status and personal exemptions.
2. Your Federal tax liability is estimated to include your taxable relocation reimbursements during the year. (See the TAX ASSISTANCE CHART for taxable relocation benefits.)
3. Your tax assistance received throughout the year is compared to your estimated actual tax liability.
  - a. If you were under tax-assisted Chevron will provide additional assistance using a tax adjustment paid directly to the appropriate tax agencies, and reported on your final December paycheck.
  - b. If you were over tax-assisted Chevron will reverse the tax overpayment from the applicable tax category and make the appropriate adjustments to amounts deposited on your behalf with the applicable tax agencies.
4. In January you will receive a relocation tax payment breakdown from Brookfield to assist you in preparing your taxes.

### **Chevron Sourced Income**

Chevron sourced income includes:

- Regular earnings.
- Supplemental earnings.
- Applicable relocation expense reimbursements.

Chevron sourced income is that which is reported on your Chevron *W-2*, and includes the income of your spouse if he or she is employed by Chevron. Chevron sourced income is the basis for your Federal and state (where applicable) tax true-up assistance.

If you are in a legally recognized same-sex marriage with another Chevron employee, your joint income will be used for your Federal tax true-up and State tax true-up where allowed by law. In states where

same-sex marriage is not recognized, only your Chevron sourced income will be used. Registered Domestic Partner income is not used for Federal or state tax true-up assistance.

Chevron sourced income does not include any income from sources other than Chevron that you may have received during the year. Examples include but are not limited to income from a rental property, investments, a trust or the income of your spouse, if he or she does not work for Chevron.

### **Statistical Itemized Deductions**

Your tax assistance is determined using a combination of an itemized deduction amount (estimated based on your Chevron sourced income), the deductible portion of your relocation expenses and estimated state taxes. If you cannot itemize your deductions due to income restrictions, then the applicable standard IRS deduction amount for your tax filing status will be used.

### **Social Security Tax**

Chevron is required to withhold Social Security tax on taxable relocation payments at the time the payment is made, unless you have already reached the Social Security tax withholding maximum. (<http://www.ssa.gov/OACT/COLA/cbb.html>).

Until you reach the Social Security withholding maximum, any relocation reimbursements paid to you will have Social Security tax withheld from them. This may cause the reimbursement amount to be less than the actual amount of the relocation expense you submitted.

### **Tax Consultation Assistance**

To assist you with understanding the implications of your relocation on your income taxes Chevron provides one hour or professional tax consulting assistance provided by Hamm & Associates. Tax consultation fees are invoiced to Chevron. Tax consulting assistance is authorized in January following the year of your relocation, or a year in which you had relocation expenses, excluding ongoing high cost housing benefits, and you will be provided contact information at that time. It is important that you schedule your consultation as far in advance of your desired appointment as possible to ensure appointment availability.

### **Updating Your Personal Information**

To avoid possible withholding of multiple or incorrect state income taxes from your pay check it is important that you update your home address information as soon as possible after relocating to your new work location. Your new state's withholding, if applicable, should begin as soon as you report to work in your new location, even if you continue to be a resident of your departure state.

Relocation to a new work location is a qualifying event for Chevron health and insurance benefits. You will be provided with re-enrollment materials after changing your permanent home address.

To make changes, contact the Human Resources Service Center at 1-888-825-5247 or go to [hr2.chevron.com](http://hr2.chevron.com) and choose the Benefits Connection link. Log in, choose the Personal Information tab and follow the directions.

## Tax Assistance Chart

| Relocation Program Component  | Taxable  | Tax Assisted   |
|---|--|--|
| <b>Benefits Common to All Employees</b>   |  |  |
| Miscellaneous Expense Allowance   | Yes  | No   |
| Relocation Allowance Lump Sum:<br>Includes:<br>- Home Finding<br>- Temporary Housing  | Yes  | Yes  |
| Final Trip to the New Location:<br>- One way airfare or other public transportation<br>- Meals<br>- Lodging in-transit<br>- Vehicle mileage – up to current IRS rate<br>- Vehicle mileage – over current IRS rate<br>- Pet Shipment | No<br>Yes<br>No<br>No<br>Yes <sup>1</sup><br>Yes | No - Excludable<br>Yes<br>No - Excludable<br>No - Excludable<br>Yes<br>Yes |
| Shipment of Household Goods:<br>- Shipment of household goods<br>- In-transit storage of household goods to 30 days   | No<br>No   | No - Excludable<br>No - Excludable   |
| Spouse/Partner Employment Search & Family Assistance:<br>- Employment and outplacement agency fees<br>- Resume preparation and mailing<br>- Other assistance  | Yes<br>Yes<br>Yes                                | Yes<br>Yes<br>Yes  |
| <b>Renter Benefits</b>  |  |  |
| Lease Cancellation Assistance   | Yes  | Yes  |
| Home Finding/Rental Assistance  | Yes  | Yes  |
| <b>Homeowner Benefits</b>   |  |  |
| Home Marketing Assistance   | Yes  | N/A  |

<sup>1</sup> Mileage over current IRS standard mileage rate is taxable