

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

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 1-9210

**OCCIDENTAL PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**95-4035997**

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

**5 Greenway Plaza, Suite 110  
Houston, Texas 77046**

(Address of principal executive offices) (Zip Code)

**(713) 215-7000**

(Registrant's telephone number, including area code)

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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer a smaller reporting company, or an emerging growth company. (See definition of "accelerated filer", "large accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer   
Smaller Reporting Company  Emerging Growth Company

If an Emerging Growth Company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 31, 2018
Common stock \$.20 par value	765,770,223

OCCEIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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**PART I FINANCIAL INFORMATION**

**Item 1. Financial Statements (unaudited)**

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS  
MARCH 31, 2018, AND DECEMBER 31, 2017  
(Amounts in millions)

	2018	2017
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,606	\$ 1,672
Trade receivables, net	5,184	4,145
Inventories	1,057	1,246
Assets held for sale	335	474
Other current assets	712	733
Total current assets	8,894	8,270
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,509	1,515
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of \$39,918 at March 31, 2018, and \$39,072 at December 31, 2017	31,344	31,174
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	1,061	1,067
<b>TOTAL ASSETS</b>	<b>\$ 42,808</b>	<b>\$ 42,026</b>

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS  
MARCH 31, 2018, AND DECEMBER 31, 2017  
(Amounts in millions except share amounts)

	2018	2017
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$ —	\$ 500
Accounts payable	5,059	4,408
Accrued liabilities	2,011	2,492
Total current liabilities	7,070	7,400
 LONG-TERM DEBT, NET	 10,309	 9,328
 <b>DEFERRED CREDITS AND OTHER LIABILITIES</b>		
Deferred domestic and foreign income taxes	659	581
Asset retirement obligations	1,248	1,241
Pension and postretirement obligations	1,008	1,005
Environmental remediation reserves	729	728
Other	1,063	1,171
	4,707	4,726
 <b>STOCKHOLDERS' EQUITY</b>		
Common stock, at par value (894,134,418 shares at March 31, 2018 and 893,468,707 shares at December 31, 2017)	179	179
Treasury stock (128,364,195 shares at March 31, 2018, and December 31, 2017)	(9,168)	(9,168)
Additional paid-in capital	7,916	7,884
Retained earnings	22,107	21,935
Accumulated other comprehensive loss	(312)	(258)
Total stockholders' equity	20,722	20,572
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	 \$ 42,808	 \$ 42,026

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018, AND 2017  
(Amounts in millions, except per-share amounts)

	2018	2017
<b>REVENUES AND OTHER INCOME</b>		
Net sales	\$ 3,763	\$ 2,957
Interest, dividends and other income	29	21
Gain on sale of assets, net	33	—
	<u>3,825</u>	<u>2,978</u>
<b>COSTS AND OTHER DEDUCTIONS</b>		
Cost of sales	1,363	1,426
Selling, general and administrative and other operating expenses	307	272
Taxes other than on income	108	68
Depreciation, depletion and amortization	921	942
Asset impairments and related items	30	13
Exploration expense	15	11
Interest and debt expense, net	97	81
	<u>2,841</u>	<u>2,813</u>
Income before income taxes and other items	984	165
Provision for domestic and foreign income taxes	(339)	(78)
Income from equity investments	63	30
<b>NET INCOME</b>	<u>\$ 708</u>	<u>\$ 117</u>
<b>BASIC EARNINGS PER COMMON SHARE</b>	<u>\$ 0.92</u>	<u>\$ 0.15</u>
<b>DILUTED EARNINGS PER COMMON SHARE</b>	<u>\$ 0.92</u>	<u>\$ 0.15</u>
<b>DIVIDENDS PER COMMON SHARE</b>	<u>\$ 0.77</u>	<u>\$ 0.76</u>

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED MARCH 31, 2018, AND 2017  
(Amounts in millions)

	2018	2017
Net income	\$ 708	\$ 117
Other comprehensive income (loss) items:		
Foreign currency translation gains	1	1
Unrealized gains (losses) on derivatives <sup>(a)</sup>	(3)	5
Pension and postretirement gains <sup>(b)</sup>	4	9
Reclassification of realized (gains) losses on derivatives <sup>(c)</sup>	2	(2)
Other comprehensive income, net of tax	4	13
Comprehensive income	\$ 712	\$ 130

(a) Net of tax of \$1 and \$(3) for the three months ended March 31, 2018, and 2017, respectively.

(b) Net of tax of \$(1) and \$(5) for the three months ended March 31, 2018, and 2017, respectively.

(c) Net of tax of \$(1) and \$1 for the three months ended March 31, 2018, and 2017, respectively.

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2018, AND 2017  
(Amounts in millions)

	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income	\$ 708	\$ 117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization of assets	921	942
Deferred income tax (benefit) provision	94	(108)
Other noncash (gains) charges to income	(23)	84
Asset impairments and related items	30	13
Gain on sale of assets, net	(33)	—
Changes in operating assets and liabilities, net	(688)	(535)
Other operating, net	—	(8)
Net cash provided by operating activities	<u>1,009</u>	<u>505</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(1,032)	(722)
Change in capital accrual	(45)	(41)
Payments for purchases of assets and businesses	(177)	(19)
Sales of assets, net	275	—
Other investing, net	8	110
Net cash used by investing activities	<u>(971)</u>	<u>(672)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt, net	978	—
Payments of long-term debt	(500)	—
Proceeds from issuance of common stock	10	12
Cash dividends paid	(592)	(584)
Net cash used by financing activities	<u>(104)</u>	<u>(572)</u>
Decrease in cash and cash equivalents	(66)	(739)
Cash and cash equivalents — beginning of period	1,672	2,233
Cash and cash equivalents — end of period	<u>\$ 1,606</u>	<u>\$ 1,494</u>

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
MARCH 31, 2018

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles (GAAP) as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. These unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2017.

In the opinion of Occidental's management, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of March 31, 2018, and the consolidated statements of operations, comprehensive income and cash flows for the three months ended March 31, 2018, and 2017, as applicable. The income and cash flows for the periods ended March 31, 2018, and 2017, are not necessarily indicative of the income or cash flows to be expected for the full year.

2. Asset Acquisitions, Dispositions and Other

In March 2018, Occidental divested non-core midstream assets for approximately \$150 million, resulting in a pre-tax gain of approximately \$40 million. In addition, Occidental classified approximately \$100 million of non-core proved Permian acreage as assets held for sale at March 31, 2018.

In March 2018, Occidental issued \$1.0 billion of 4.2-percent senior notes due 2048. Occidental received net proceeds of approximately \$985 million. Interest on the notes will be payable semi-annually in arrears in March and September of each year, beginning on September 15, 2018. The proceeds were used to refinance the repayment of the \$500 million aggregate principal amount of Occidental's 1.50-percent senior notes due in February 2018, with the remainder to be used for general corporate purposes.

In January 2018, Occidental entered into a new five-year, \$3.0 billion revolving credit facility (2018 Credit Facility), which replaced the previous credit facility, that was scheduled to expire in August 2019. The 2018 Credit Facility has similar terms to the previous credit facility and does not contain material adverse change clauses or debt ratings triggers that could restrict Occidental's ability to borrow under the facility.

3. Accounting and Disclosure Changes

In February 2018, the Financial Accounting Standards Board (FASB) released standards that allow the reclassification from accumulated other comprehensive income to retained earnings of stranded tax effects resulting from changes to U.S. federal tax law from the 2017 Tax Cuts and Jobs Act enacted in December 2017. Occidental early adopted this standard in the first quarter of 2018, resulting in the reclassification of \$58 million in stranded tax effects from accumulated other comprehensive income to retained earnings.

In the first quarter of 2018, Occidental adopted the new revenue recognition standard Topic 606 - Revenue from Contracts with Customers and related updates (ASC 606). The new standard requires more detailed disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Occidental adopted the standard using the modified retrospective method. The cumulative-effect adjustment to retained earnings upon adoption was not material. See Note 4 *Revenue Recognition*.

In March 2017, FASB issued guidance related to presentation of net periodic pension cost and net periodic postretirement benefit cost. The rules became effective in the first quarter of 2018. These rules did not have a material impact to Occidental's financial statements upon adoption.



In January 2017, the FASB issued new guidance clarifying the definition of a business under the topic Business Combinations. The rules became effective in the first quarter of 2018, and did not have a material change to Occidental's financial statements upon adoption.

In November 2016, FASB issued new guidance related to the cash flow classification and presentation of the changes in restricted cash on the statement of cash flows. The rules became effective in the first quarter of 2018 and must be applied retrospectively. Occidental did not have restricted cash as of March 31, 2018, or December 31, 2017.

In August 2016, the FASB issued new guidance related to the classification of certain cash receipts and payments on the statement of cash flows. The rules were adopted for the first quarter of 2018 and resulted in the retrospective reclassification of \$147 million of cash receipts from operating cash flows to investing cash flows for the three months ended March 31, 2017, within the Statement of Cash Flows.

In February 2016, the FASB issued rules which require Occidental to recognize most leases, including operating leases, on the balance sheet. The new rules require lessees to recognize a right-of-use asset and lease liability for all leases with lease terms of more than 12 months. The lease liability represents the discounted obligation to make future minimum lease payments. The corresponding right-of-use asset includes the discounted obligation in addition to any upfront payment or cost incurred during contract execution of the lease. The guidance retains the current accounting for lessors and does not make significant changes to the recognition, measurement and presentation of expenses and cash flows by a lessee. Recognition, measurement and presentation of expenses and cash flows arising from a lease will depend on classification as a finance or operating lease. Occidental is the lessee under various agreements for real estate, equipment, plants and facilities, aircraft, information technology hardware and vehicles that are currently accounted for as operating leases. As a result, these new rules will increase reported assets and liabilities. Occidental will not be an early adopter of this standard. Occidental will apply the revised lease rules for its interim and annual reporting periods starting January 1, 2019, using a modified retrospective approach, including several optional practical expedients related to leases commenced before the effective date. Occidental is currently evaluating the effect of these rules on its financial statements, training accounting staff, working with third-party consultants and developing an internal interim software solution for the identification, documentation and tracking of leases in order to create an adoption plan based on Occidental's population of leases under the revised definition of leases. The quantitative impacts of the new standard are dependent on the leases in force at the time of adoption. As a result, the evaluation of the effect of the new standard will extend over future periods.

#### 4. Revenue Recognition

On January 1, 2018, Occidental adopted ASC 606 using the modified retrospective method. Results for reporting periods beginning after January 1, 2018, are presented under ASC 606, while prior period amounts have not been adjusted. There was no impact of adopting ASC 606 to the opening balance of retained earnings. There was no impact to the timing or amount of revenue recognized in the first quarter of 2018 as a result of the adoption of ASC 606.

Revenue from customers is recognized when obligations under the terms of a contract with our customer are satisfied; which generally occurs with the delivery of oil, gas, natural gas liquids ("NGL"), chemicals or services such as transportation. Revenue from customers is measured as the amount of consideration Occidental expects to receive in exchange for the delivery of goods or services. Contracts may last from one month to one year or more, and may have renewal terms that may extend indefinitely at the option of either party. Price is typically based on market indexes. Volumes fluctuate due to production and, in certain cases, customer demand and transportation availability. Occidental records revenue net of any taxes, such as sales taxes, that are assessed by governmental authorities on Occidental's customers. Occidental has elected a practical expedient under ASC 606 and will not disclose revenue recognizable in future periods for unsatisfied performance obligations because the consideration related to those performance obligations is based on volume or market prices which are variable.

Occidental does not incur significant costs to obtain contracts. Incidental items that are immaterial in the context of the contract are recognized as expense. Sales of hydrocarbons and chemicals to customers are invoiced and settled on a monthly basis. Occidental is not usually subject to obligations for warranties, returns or refunds except in the case of customer incentive payments as discussed for the chemical segment below. Occidental does not typically receive payment in advance of satisfying its obligations under the terms of its sales contracts with customers; therefore liabilities related to such payment are immaterial to Occidental. As of March 31, 2018, accounts receivable, net, of

\$5.2 billion, represents rights to payment for which Occidental has satisfied its obligations under a contract and its right to payment is conditioned only on the passage of time.

#### Oil and Gas Segment

Revenue is recognized from oil and gas production when it is delivered and control passes to the customer. Revenues from the production of oil and gas properties in which Occidental has an interest with other producers are recognized on the basis of Occidental's net revenue interest.

#### Chemical Segment

Revenue from chemical product sales is recognized when control passes to the customer. Certain incentive programs may provide for payments or credits to be made to customers based on the volume of product purchased over a defined period. Customer incentives are estimated and recorded as a reduction to revenue ratably over the contract period. Such estimates are evaluated and revised as warranted. Revenue from exchange contracts is excluded from revenue from customers.

#### Midstream and Marketing Segment

Pipeline and gas processing revenue is recognized upon the completion of the transportation or processing service. Revenue from power sales is recognized upon delivery. Net marketing margin is included in net sales, but excluded from revenue from customers. Net marketing margin is recognized upon completion of contract terms that are a prerequisite to payment and upon title transfer for physical deliveries. Unless normal sales treatment has been elected, net marketing margin is classified as a derivative, reported on a net basis, recorded at fair value and changes in fair value are reflected in net sales.

The following table shows a reconciliation of revenue from customers to total net sales (in millions):

For the three months ended March 31,	2018
Revenue from customers	\$ 3,694
All other revenues <sup>(a)</sup>	69
Total net sales	\$ 3,763

<sup>(a)</sup> Includes net marketing margin and chemical exchange contracts.

The following table presents Occidental's revenue from customers by segment, product, and geographical area. Because the oil and gas segment typically sells its hydrocarbons at the lease or concession area, oil, gas and NGL are assumed to be sold in the area where they are produced. Chemical sales are classified by the area of delivery. Midstream revenues are shown by area based on the location of the sale (in millions):

For the three months ended March 31, 2018

Revenue by Product	United States	Middle East	Latin America	Other International	Total
<b>Oil and Gas Segment</b>					
Oil	\$ 1,247	\$ 773	\$ 170	\$ —	\$ 2,190
NGL	89	51	—	—	140
Gas	52	65	4	—	121
Other	3	—	—	—	3
<b>Segment Total</b>	<b>\$ 1,391</b>	<b>\$ 889</b>	<b>\$ 174</b>	<b>\$ —</b>	<b>\$ 2,454</b>
<b>Chemical Segment</b>	<b>\$ 1,049</b>	<b>\$ —</b>	<b>\$ 52</b>	<b>\$ 21</b>	<b>\$ 1,122</b>
<b>Midstream Segment</b>					
Gas Processing	\$ 137	\$ 96	\$ —	\$ —	\$ 233
Pipelines	94	—	—	—	94
Power and Other	25	—	—	—	25
<b>Segment Total</b>	<b>\$ 256</b>	<b>\$ 96</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 352</b>
<b>Intersegment Eliminations</b>	<b>\$ (234)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (234)</b>
<b>Consolidated</b>	<b>\$ 2,462</b>	<b>\$ 985</b>	<b>\$ 226</b>	<b>\$ 21</b>	<b>\$ 3,694</b>

#### 5. Supplemental Cash Flow Information

Occidental paid net foreign income taxes and domestic state taxes of \$227 million and \$174 million during the three months ended March 31, 2018, and 2017, respectively. No federal income tax payments were made during the three months ended March 31, 2018, and 2017. Interest paid totaled \$97 million and \$70 million during the three months ended March 31, 2018, and 2017, respectively.

#### 6. Inventories

Finished goods primarily represents crude oil, caustic soda, and chlorine. Inventories as of March 31, 2018, and December 31, 2017, consisted of the following (in millions):

	2018	2017
Raw materials	\$ 68	\$ 66
Materials and supplies	470	447
Finished goods	562	776
	1,100	1,289
Revaluation to LIFO	(43)	(43)
<b>Total</b>	<b>\$ 1,057</b>	<b>\$ 1,246</b>

#### 7. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality. The laws that require or address environmental remediation, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation

involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of March 31, 2018, Occidental participated in or monitored remedial activities or proceedings at 149 sites. The following table presents Occidental's current and non-current environmental remediation reserves as of March 31, 2018, the current portion of which is included in accrued liabilities (\$136 million) and the remainder in deferred credits and other liabilities - environmental remediation reserves (\$729 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites - third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	34	\$ 460
Third-party sites	71	159
Occidental-operated sites	15	107
Closed or non-operated Occidental sites	29	139
Total	149	\$ 865

As of March 31, 2018, Occidental's environmental reserves exceeded \$10 million each at 15 of the 149 sites described above, and 88 of the sites each had reserves of \$1 million or less. Based on current estimates, Occidental expects to expend funds corresponding to approximately 40-percent of the environmental reserves at the sites described above over the next three to four years and the balance at these sites over the subsequent 10 or more years. Occidental believes its estimable amount of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at these sites could range up to \$1.1 billion. The status of Occidental's involvement with the sites and related significant assumptions, including those sites indemnified by Maxus Energy Corporation (Maxus), has not changed materially since December 31, 2017.

#### Maxus Environmental Sites

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus, a subsidiary of YPF S.A. (YPF), agreed to indemnify Occidental for a number of environmental sites, including the Diamond Alkali Superfund Site (Site) along a portion of the Passaic River. On June 17, 2016, Maxus and several affiliated companies filed for Chapter 11 bankruptcy in Federal District Court in the State of Delaware. Prior to filing for bankruptcy, Maxus defended and indemnified Occidental in connection with clean-up and other costs associated with the sites subject to the indemnity, including the Site.

In March 2016, the EPA issued a Record of Decision (ROD) specifying remedial actions required for the lower 8.3 miles of the Lower Passaic River. The ROD does not address any potential remedial action for the upper nine miles of the Lower Passaic River or Newark Bay. During the third quarter of 2016, and following Maxus's bankruptcy filing, Occidental and the EPA entered into an Administrative Order on Consent (AOC) to complete the design of the proposed clean-up plan outlined in the ROD at an estimated cost of \$165 million. The EPA announced that it will pursue similar agreements with other potentially responsible parties.

Occidental has accrued a reserve relating to its estimated allocable share of the costs to perform the design and the remediation called for in the AOC and the ROD, as well as for certain other Maxus-indemnified sites. Occidental's accrued estimated environmental reserve does not consider any recoveries for indemnified costs. Occidental's ultimate share of this liability may be higher or lower than the reserved amount, and is subject to final design plans and the resolution of Occidental's allocable share with other potentially responsible parties. Occidental continues to evaluate the costs to be incurred to comply with the AOC, the ROD and to perform remediation at other Maxus-indemnified sites in light of the Maxus bankruptcy and the share of ultimate liability of other potentially responsible parties. In June 2017, the court overseeing the Maxus bankruptcy approved a Plan of Liquidation (Plan) to liquidate Maxus and create a trust to pursue claims against YPF, Repsol and others to satisfy claims by Occidental and other creditors for past and future cleanup and other costs. In July 2017, the court-approved Plan became final and the

trust became effective. Among other responsibilities, the trust will pursue claims against YPF, Repsol and others and distribute assets to Maxus' creditors in accordance with the trust agreement and Plan.

## 8. Lawsuits, Claims, Commitments and Contingencies

### Legal Matters

Occidental or certain of its subsidiaries are involved, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. Occidental or certain of its subsidiaries also are involved in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief. Usually Occidental or such subsidiaries are among many companies in these environmental proceedings and have to date been successful in sharing response costs with other financially sound companies. Further, some lawsuits, claims and legal proceedings involve acquired or disposed assets with respect to which a third party or Occidental retains liability or indemnifies the other party for conditions that existed prior to the transaction.

In accordance with applicable accounting guidance, Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. In Note 7, *Environmental Liabilities and Expenditures*, Occidental has disclosed its reserve balances for environmental remediation matters that satisfy this criteria. Reserve balances for matters, other than environmental remediation, that satisfy this criteria as of March 31, 2018, and December 31, 2017, were not material to Occidental's consolidated balance sheets.

In 2017, Andes Petroleum Ecuador Ltd. filed a demand for arbitration, claiming it is entitled to a 40 percent share of the settlement payments made by the Republic of Ecuador to Occidental for the 2006 expropriation of Occidental's Participation Contract for Ecuador's Block 15. Occidental intends to vigorously defend against this claim in arbitration.

The ultimate outcome and impact of outstanding lawsuits, claims and proceedings on Occidental cannot be predicted. Management believes that the resolution of these matters will not, individually or in the aggregate, have a material adverse effect on Occidental's consolidated balance sheet, statements of operations or cash flows after consideration of recorded accruals. Occidental's estimates are based on information known about the legal matters and its experience in contesting, litigating and settling similar matters. Occidental reassesses the probability and estimability of contingent losses as new information becomes available.

### Tax Matters

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Although taxable years through 2012 for United States federal income tax purposes have been audited by the United States Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program, subsequent taxable years are currently under review. Taxable years from 2002 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

### Indemnities to Third Parties

Occidental, its subsidiaries, or both, have indemnified various parties against specified liabilities those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of March 31, 2018, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to indemnity claims that would result in payments materially in excess of reserves.

## 9. Retirement and Post-retirement Benefit Plans

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and post-retirement benefit plans for the three months ended March 31, 2018, and 2017 (in millions):

Three months ended March 31	2018		2017	
	Pension Benefit	Post-retirement Benefit	Pension Benefit	Post-retirement Benefit
Net Periodic Benefit Costs				
Service cost	\$ 2	\$ 6	\$ 2	\$ 5
Interest cost	4	9	4	10
Expected return on plan assets	(6)	—	(6)	—
Recognized actuarial loss	1	4	2	4
Total	\$ 1	\$ 19	\$ 2	\$ 19

Occidental contributed approximately \$1 million in each of the three months ended March 31, 2018, and 2017.

## 10. Fair Value Measurements

Occidental has categorized its assets and liabilities that are measured at fair value in a three-level fair value hierarchy, based on the inputs to the valuation techniques: Level 1 — using quoted prices in active markets for the assets or liabilities; Level 2 — using observable inputs other than quoted prices for the assets or liabilities; and Level 3 — using unobservable inputs. Transfers between levels, if any, are recognized at the end of each reporting period.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of March 31, 2018, and December 31, 2017 (in millions):

### Fair Value Measurements at March 31, 2018:

Embedded derivatives	Level 1	Level 2	Level 3	Netting and Collateral	Total Fair Value
<b>Liabilities:</b>					
Accrued liabilities	\$ —	\$ 31	\$ —	\$ —	\$ 31
Deferred credits and liabilities	\$ —	\$ 125	\$ —	\$ —	\$ 125

### Fair Value Measurements at December 31, 2017:

Embedded derivatives	Level 1	Level 2	Level 3	Netting and Collateral	Total Fair Value
<b>Liabilities:</b>					
Accrued liabilities	\$ —	\$ 39	\$ —	\$ —	\$ 39
Deferred credits and liabilities	\$ —	\$ 147	\$ —	\$ —	\$ 147

### Fair Values — Nonrecurring

During the three months ended March 31, 2018, Occidental recognized pre-tax impairment charges of \$30 million related to held for sale non-core proved and unproved Permian acreage and facilities. During the year ended December 31, 2017, Occidental recognized pre-tax impairment charges of \$397 million related to held for sale non-core proved and unproved Permian acreage.

### Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than long-term, fixed-rate debt, approximate fair value. The cost, if any, to terminate Occidental's off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account

such instruments' maturities. The estimated fair value of Occidental's debt as of March 31, 2018, and December 31, 2017, was \$10.6 billion and \$10.4 billion, respectively. The remaining principal payments less the discount on long-term debt aggregated approximately \$10.4 billion and \$9.9 billion as of March 31, 2018, and December 31, 2017, respectively.

## 11. Derivatives

Occidental uses a variety of derivative financial instruments and physical contracts, including those designated as cash flow hedges, to manage its exposure to commodity price fluctuations, transportation commitments and to fix margins on the future sale of stored volumes of oil and natural gas. Where Occidental buys product for its own consumption or sells its production to a defined customer, Occidental elects normal purchases and normal sales exclusions. Occidental usually applies cash flow hedge accounting treatment to derivative financial instruments to lock in margins on the forecast sales of its natural gas storage volumes, and at times for other strategies to lock in margins. Occidental also enters into derivative financial instruments for speculative or trading purposes; however, the results of any transactions are immaterial to the marketing portfolio.

The financial instruments not designated as hedges will impact Occidental's earnings through mark-to-market until the offsetting future physical commodity is delivered. For GAAP purposes, any physical inventory is carried at lower of cost or market on the balance sheet. A substantial majority of Occidental's physical derivative contracts are index-based and carry no mark-to-market value in earnings. Net gains and losses associated with derivative instruments not designated as hedging instruments are recognized currently in net sales. Net gains and losses attributable to derivative instruments subject to hedge accounting reside in accumulated other comprehensive income (loss) and are reclassified to earnings as the transactions to which the derivatives relate are recognized in earnings.

### Credit Risk

The majority of Occidental's counterparty credit risk is related to the physical delivery of energy commodities to its customers and their inability to meet their settlement commitments. Occidental manages credit risk by selecting counterparties that it believes to be financially strong, by entering into netting arrangements with counterparties and by requiring collateral or other credit risk mitigants, as appropriate. Occidental actively evaluates the creditworthiness of its counterparties, assigns appropriate credit limits and monitors credit exposures against those assigned limits. Occidental also enters into future contracts through regulated exchanges with select clearinghouses and brokers, which are subject to minimal credit risk as a significant portion of these transactions settle on a daily margin basis.

Certain of Occidental's over-the-counter derivative instruments contain credit-risk-contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each would need to post. Occidental believes that if it had received a one-notch reduction in its credit ratings, it would not have resulted in a material change in its collateral-posting requirements as of March 31, 2018, and December 31, 2017.

### Cash-Flow Hedges

Occidental's marketing operations store natural gas purchased from third parties at Occidental's leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. As of March 31, 2018, Occidental did not have any cash-flow hedges. As of December 31, 2017, Occidental had approximately 7 billion cubic feet (Bcf) of natural gas held in storage, and had cash-flow hedges for the forecast sales, to be settled by physical delivery, of approximately 7 Bcf of stored natural gas. The amount of cash-flow hedges, including the ineffective portion, was immaterial for the three months ended March 31, 2018, and the year ended December 31, 2017.

## Derivatives Not Designated as Hedging Instruments

The following table summarizes the amounts reported in net sales related to the outstanding commodity derivative instruments not designated as hedging instruments as of March 31, 2018, and December 31, 2017:

(in millions, except Long/(Short) volumes)	2018	2017
Unrealized gain (loss) on derivatives not designated as hedges		
Oil Commodity Contracts	\$ (18)	\$ (47)
Natural Gas Commodity Contracts	\$ (1)	\$ 1
Outstanding net volumes on derivatives not designated as hedges		
Oil Commodity Contracts		
Volume (MMBL)	57	61
Price Per Bbl	\$ 58.64	\$ 57.38
Natural Gas Commodity Contracts		
Volume (Bcf)	(63)	(47)
Price Per MMBTU	\$ 2.35	\$ 2.73

## Fair Value of Derivatives

The following table presents the gross and net fair values of Occidental's outstanding derivatives as of March 31, 2018, and December 31, 2017 (in millions):

As of March 31, 2018		Fair Value Measurements Using			Netting <sup>(b)</sup>	Total Fair Value
(in millions)	Balance Sheet Location	Level 1	Level 2	Level 3		
Assets:						
Derivatives not designated as hedging instruments <sup>(a)</sup>						
	Other current assets	581	181	—	(613)	149
Commodity contracts	Long-term receivables and other assets, net	7	2	—	(7)	2
Liabilities:						
Derivatives not designated as hedging instruments <sup>(a)</sup>						
	Accrued liabilities	613	168	—	(613)	168
Commodity contracts	Deferred credits and liabilities	6	3	—	(7)	2
As of December 31, 2017		Fair Value Measurements Using			Netting <sup>(b)</sup>	Total Fair Value
(in millions)	Balance Sheet Location	Level 1	Level 2	Level 3		
Assets:						
Cash-flow hedges <sup>(a)</sup>						
Commodity contracts	Other current assets	—	3	—	—	3
Derivatives not designated as hedging instruments <sup>(a)</sup>						
	Other current assets	485	227	—	(517)	195
Commodity contracts	Long-term receivables and other assets, net	1	2	—	(1)	2
Liabilities:						
Derivatives not designated as hedging instruments <sup>(a)</sup>						
	Accrued liabilities	535	222	—	(517)	240
Commodity contracts	Deferred credits and liabilities	1	3	—	(1)	3

(a) Fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and presented on a net basis in the consolidated condensed balance sheets.

(b) These amounts do not include collateral. As of March 31, 2018, no collateral received has been netted against derivative assets and collateral paid of \$32 million has been netted against derivative liabilities. As of December 31, 2017, no collateral received has been netted against derivative assets and collateral paid of \$54 million has been netted against derivative liabilities. Select clearinghouse and brokers require Occidental to post an initial margin deposit. Collateral deposited by Occidental, mainly for initial margin, of \$71 million and \$53 million as of March 31, 2018 and December 31, 2017, respectively, has not been reflected in these derivative fair value tables. This collateral is included in other current assets in the consolidated condensed balance sheets.



## 12. Industry Segments

Occidental conducts its operations through three segments: (1) oil and gas (2) chemical and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, NGL and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGL, natural gas, CO<sub>2</sub> and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

Results of industry segments generally exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from dispositions of segment and geographic area assets and income from the segments' equity investments. Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions. The following tables present Occidental's industry segments (in millions):

	Oil and Gas	Chemical	Midstream and Marketing	Corporate and Eliminations	Total
<b>Three months ended March 31, 2018</b>					
Net sales	\$ 2,454	\$ 1,154	\$ 389	\$ (234)	\$ 3,763
Pre-tax operating profit (loss)	\$ 750	\$ 298	\$ 179	\$ (180) <sup>(a)</sup>	\$ 1,047
Income taxes	—	—	—	(339) <sup>(b)</sup>	(339)
Net income (loss)	\$ 750	\$ 298	\$ 179	\$ (519)	\$ 708
<b>Three months ended March 31, 2017</b>					
Net sales	\$ 1,894	\$ 1,068	\$ 211	\$ (216)	\$ 2,957
Pre-tax operating profit (loss)	\$ 220	\$ 170	\$ (47)	\$ (148) <sup>(a)</sup>	\$ 195
Income taxes	—	—	—	(78) <sup>(b)</sup>	(78)
Net income (loss)	\$ 220	\$ 170	\$ (47)	\$ (226)	\$ 117

(a) Includes unallocated net interest expense, administration expense, environmental remediation and other pre-tax items.

(b) Includes all foreign and domestic income taxes from continuing operations.

### 13. Earnings Per Share

Basic earnings per share (EPS) was computed by dividing net income attributable to common stock, net of income allocated to participating securities, by the weighted-average number of common shares outstanding during each period, net of treasury shares and including vested but unissued shares and share units. The computation of diluted EPS reflects the additional dilutive effect of stock options and unvested stock awards. Occidental's instruments containing rights to nonforfeitable dividends granted in stock-based awards are considered participating securities prior to vesting and, therefore, net income allocated to these participating securities has been deducted from earnings in computing basic and diluted EPS under the two-class method. The following table presents the calculation of basic and diluted EPS for the three months ended March 31, 2018, and 2017 (in millions, except per-share amounts):

	Three months ended March 31	
	2018	2017
<b>Basic EPS</b>		
Net Income	\$ 708	\$ 117
Less: Net income allocated to participating securities	(3)	—
Net Income, net of participating securities	705	117
Weighted average number of basic shares	765.6	764.4
Basic EPS	\$ 0.92	\$ 0.15
<b>Diluted EPS</b>		
Net income, net of participating securities	\$ 705	\$ 117
Weighted average number of basic shares	765.6	764.4
Dilutive effect of potentially dilutive securities	1.4	0.8
Total diluted weighted average common shares	767.0	765.2
Diluted EPS	\$ 0.92	\$ 0.15

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

In this report, "Occidental" means Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. Factors that could cause results to differ include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; higher-than-expected costs; the regulatory approval environment; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; uncertainties about the estimated quantities of oil and natural gas reserves; lower-than-expected production from development projects or acquisitions; exploration risks; general economic slowdowns domestically or internationally; political conditions and events; liability under environmental regulations including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber attacks or insurgent activity; failure of risk management; changes in law or regulations; reorganization or restructuring of Occidental's operations; or changes in tax rates. Words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "might," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part I, Item 1A "Risk Factors" of Occidental's Annual Report on Form 10-K for the year ended December 31, 2017 (the 2017 Form 10-K).

### **Consolidated Results of Operations**

Occidental reported net income of \$708 million for the first quarter of 2018 on net sales of \$3.8 billion, compared to net income of \$117 million on net sales of \$3.0 billion for the first quarter of 2017. The increase in net income mainly reflected higher crude oil prices and volumes in the oil and gas segment, significant improvements in realized caustic soda prices in the chemical segment, and higher marketing margins from improved crude oil price spreads and additional incremental margin earned from exporting crude oil from the Ingleside Crude Terminal and higher realized NGL prices from gas processing in the midstream and marketing segment. Diluted earnings per share was \$0.92 for the first quarter of 2018 compared to \$0.15 for the first quarter of 2017.

### **Selected Statements of Operations Items**

Net sales increased for the three months ended March 31, 2018, compared to the same period in 2017, as a result of higher oil prices and volumes, higher realized caustic soda prices and higher marketing margins from improved crude oil spreads.

Cost of sales decreased for the three months ended March 31, 2018, compared to the same period in 2017, mainly due to changes in the fair value of a long-term contract to purchase CO<sub>2</sub>. The increase in selling, general and administrative and other operating expenses for the three months ended March 31, 2018, compared to the same period in 2017, reflected higher compensation costs, partially due to the change in timing of stock-based incentive compensation awards and improved stock price. Taxes other than on income increased for the three months ended March 31, 2018, compared to the same period of 2017, mainly due to higher production taxes as a result of higher domestic oil prices. The decrease in DD&A expense for the three months ended March 31, 2018, compared to the same period in 2017, was mainly due to lower DD&A rates in the Permian Resources oil and gas operations.

The increase in the domestic and foreign income tax provision for the three months ended March 31, 2018, compared to the same period in 2017, reflected higher pre-tax operating income in the first quarter of 2018.

### **Selected Analysis of Financial Position**

See "Liquidity and Capital Resources" for a discussion about the changes in cash and cash equivalents.

The increase in trade receivables, net, at March 31, 2018, compared to December 31, 2017, was primarily due to higher prices and volumes exported from the Ingleside crude terminal. The decrease in inventories at March 31,

2018, compared to December 31, 2017, was partially offset by the first quarter replenishment of storage inventory that was sold in the fourth quarter of 2017, which increased Occidental's accounts payable for the same period.

Assets held for sale represent non-core proved and unproved domestic acreage to be traded or sold as Occidental continues to streamline its Permian position. The reduction in assets held for sale from December 31, 2017 is the result of the divestiture of non-core Permian and midstream assets with a book value of \$225 million, partially offset by additions of \$104 million in non-core proved Permian acreage. The increase in property, plant and equipment, net at March 31, 2018, compared to December 31, 2017, is primarily the result of capital expenditures and property acquisitions of \$1.0 billion and \$169 million, respectively, which were partially offset by DD&A of \$0.9 billion and the reclassification of property to assets held for sale of \$104 million.

The decrease in the current portion of long-term debt at March 31, 2018, compared to December 31, 2017, reflected the repayment of \$500 million of 1.5-percent senior notes that matured in February 2018. Accrued liabilities at March 31, 2018, compared to December 31, 2017, mainly reflected payments related to incentive compensation and ad valorem taxes in the first quarter of 2018. Long-term debt at March 31, 2018, compared to December 31, 2017, reflected the issuance of \$1.0 billion of 4.2-percent senior notes due 2048. The increase in deferred domestic and foreign income taxes at March 31, 2018, compared to December 31, 2017, was primarily due to accelerated depreciation for tax purposes.

### Segment Operations

Occidental conducts its operations through three segments: (1) oil and gas (2) chemical and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, NGL and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGL, natural gas, CO<sub>2</sub> and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three months ended March 31, 2018, and 2017 (in millions):

	Three months ended March 31	
	2018	2017
<b>Net Sales</b> <sup>(a)</sup>		
Oil and Gas	\$ 2,454	\$ 1,894
Chemical	1,154	1,068
Midstream and Marketing	389	211
Eliminations	(234)	(216)
	<u>\$ 3,763</u>	<u>\$ 2,957</u>
<b>Segment Results</b>		
Oil and Gas	\$ 750	\$ 220
Chemical	298	170
Midstream and Marketing	179	(47)
	<u>1,227</u>	<u>343</u>
<b>Unallocated Corporate Items</b>		
Interest expense, net	(92)	(78)
Income tax expense	(339)	(78)
Other expense, net	(88)	(70)
Net income	<u>\$ 708</u>	<u>\$ 117</u>

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

### Significant Transactions and Events Affecting Earnings

There were no significant transactions or events that vary widely or unpredictably in nature, timing or amount, affecting Occidental's earnings for the three months ended March 31, 2018, and 2017.

### **Worldwide Effective Tax Rate**

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three months ended March 31, 2018, and 2017 (in millions):

	Three months ended March 31	
	2018	2017
Oil and Gas	\$ 750	\$ 220
Chemical	298	170
Midstream and Marketing	179	(47)
Unallocated Corporate Items	(180)	(148)
Pre-tax Income	1,047	195
Income tax expense (benefit)		
Federal and state	95	(113)
Foreign	244	191
Total	339	78
Income from continuing operations	\$ 708	\$ 117
Worldwide effective tax rate	32%	40%

In 2017, Occidental recorded a provisional estimate for the federal and state income tax associated with the mandatory deemed repatriation, as required under the 2017 Tax Cuts and Jobs Act (Tax Reform), and the resulting impact to the net federal deferred tax liability. As of March 31, 2018, additional definitive technical guidance has been provided related to a portion of the provisional estimate made as of December 31, 2017. The additional guidance did not result in any change to the provisional estimates recorded as of December 31, 2017. However, the ultimate impact of Tax Reform may differ from Occidental's estimates due to changes in interpretations and assumptions, as well as additional regulatory guidance.

### **Oil and Gas Segment**

Oil and gas segment earnings were \$750 million for the first quarter of 2018, compared with segment earnings of \$220 million for the first quarter of 2017. The increase in earnings primarily reflected significantly higher oil prices as both average WTI and Brent oil prices increased by over 20 percent in the three months ended March 31, 2018, compared to the same period in 2017, and lower DD&A rates, which had decreased by approximately 8 percent.

The following tables set forth the total production and sales volumes for oil, NGL and natural gas per day for the three months ended March 31, 2018, and 2017. The differences between the production and sales volumes per day are generally due to the timing of shipments at Occidental's international locations where the product is loaded onto tankers.

<b>Production Volumes per Day</b>	Three months ended March 31	
	2018	2017
<b>Oil (MBBL)</b>		
United States <sup>(a)</sup>	228	190
Middle East	139	152
Latin America	32	28
<b>NGL (MBBL)</b>		
United States <sup>(a)</sup>	59	47
Middle East	26	26
<b>Natural Gas (MMCF)</b>		
United States <sup>(a)</sup>	294	244
Middle East	449	444
Latin America	6	8
<b>Total Production Ongoing Operations (MBOE)</b>	609	559
Operations Exited	—	25
<b>Total Production Volumes (MBOE) <sup>(b)</sup></b>	609	584

<b>Sales Volumes per Day</b>	Three months ended March 31	
	2018	2017
<b>Oil (MBBL)</b>		
United States <sup>(a)</sup>	228	190
Middle East	140	152
Latin America	32	27
<b>NGL (MBBL)</b>		
United States <sup>(a)</sup>	59	47
Middle East	26	26
<b>Natural Gas (MMCF)</b>		
United States <sup>(a)</sup>	294	244
Middle East	450	444
Latin America	6	8
<b>Total Sales Ongoing Operations (MBOE)</b>	610	558
Operations Exited	—	25
<b>Total Sales Volumes (MBOE) <sup>(b)</sup></b>	610	583

(a) Excludes 2 MBBL, 5 MBBL and 108 MMCF of oil, NGL and natural gas, respectively, for the three months ended March 31, 2017, related to South Texas sold in April 2017.

(b) Natural gas volumes have been converted to thousands of barrels (MMBL) of oil equivalent (MBOE) based on energy content of six million cubic feet (MMCF) of gas to one thousand barrels of oil (MBOE). Barrels of oil equivalence does not necessarily result in price equivalence.

Total average daily production volumes were 609,000 BOE for the first quarter of 2018 compared to 584,000 BOE for the first quarter of 2017. For the first quarter of 2018, total company average daily oil and gas production volumes for ongoing operations increased by 50,000 BOE to 609,000 BOE from 559,000 BOE in the first quarter of 2017, primarily due to increases in Permian Resources production from increased drilling and well productivity, partially offset by the production share impact of higher oil prices related mainly to operations in Oman and Qatar.

The following tables present information about Occidental's average realized prices and index prices for the three months ended March 31, 2018, and 2017:

<b>Average Realized Prices</b>	Three months ended March 31	
	2018	2017
<b>Oil (\$/BBL)</b>		
United States	\$ 61.03	\$ 48.67
Middle East	\$ 61.45	\$ 49.63
Latin America	\$ 59.24	\$ 48.26
Total Worldwide	\$ 61.04	\$ 49.04
<b>NGL (\$/BBL)</b>		
United States	\$ 26.89	\$ 23.07
Middle East	\$ 21.89	\$ 18.64
Total Worldwide	\$ 25.35	\$ 21.59
<b>Natural Gas (\$/MCF)</b>		
United States	\$ 2.06	\$ 2.68
Latin America	\$ 5.68	\$ 4.77
Total Worldwide	\$ 1.82	\$ 2.07

<b>Average Index Prices</b>	Three months ended March 31	
	2018	2017
WTI oil (\$/BBL)	\$ 62.87	\$ 51.91
Brent oil (\$/BBL)	\$ 67.18	\$ 54.66
NYMEX gas (\$/MCF)	\$ 2.87	\$ 3.26

<b>Average Realized Prices as Percentage of Average Index Prices</b>	Three months ended March 31	
	2018	2017
Worldwide oil as a percentage of average WTI	97%	94%
Worldwide oil as a percentage of average Brent	91%	90%
Worldwide NGL as a percentage of average WTI	40%	42%
Domestic natural gas as a percentage of average NYMEX	72%	82%

Worldwide oil and NGL prices for the first quarter of 2018 were higher than the first quarter of 2017. The average quarterly WTI and Brent prices increased to \$62.87 per barrel and \$67.18 per barrel, respectively, for the first quarter of 2018, compared to \$51.91 per barrel and \$54.66 per barrel, respectively, for the first quarter of 2017. Worldwide realized crude oil prices increased by 24 percent to \$61.04 per barrel for the first quarter of 2018, compared to \$49.04 per barrel in the first quarter of 2017. Worldwide realized NGL prices increased by 17 percent to \$25.35 per barrel in the first quarter of 2018, compared to \$21.59 per barrel in the first quarter of 2017. Domestic realized natural gas prices decreased by 23 percent in the first quarter of 2018 to \$2.06 per MCF, compared to \$2.68 per MCF in the first quarter of 2017.

### **Chemical Segment**

Chemical segment earnings for the three months ended March 31, 2018, were \$298 million, compared to \$170 million for the same period in 2017. The increase in chemical earnings reflected significant improvements in realized caustic soda prices. In addition, the first three months of 2018 benefited by the equity contributions from the Ingleside, Texas facility, along with the additional earnings contribution from the December 2017 start-up of the Geismar, Louisiana plant expansion to produce 4CPE. Overall sales volumes were lower as freezing weather conditions during the first quarter of 2018 negatively impacted multiple OxyChem facilities and key customers.

## **Midstream and Marketing Segment**

Midstream and marketing earnings were \$179 million for the three months ended March 31, 2018, compared with a loss of \$47 million for the same period 2017. The year over year improvement in midstream and marketing results reflected \$43 million pre-tax gain on sale of interests in a gas plant and higher marketing margins due to the improved crude oil spreads, additional incremental margin earned from exporting crude oil from the Ingleside crude terminal and improved returns in the gas processing business as a result of higher NGL and sulfur prices.

## **Liquidity and Capital Resources**

At March 31, 2018, Occidental had \$1.6 billion in cash. Income and cash flows are largely dependent on the oil and gas segment's realized prices, sales volumes and operating costs. With a continued focus on capital efficiency and operational efficiency, Occidental expects to fund its liquidity needs, including future dividend payments, through cash on hand, cash generated from operations, monetization of non-core assets or investments, future borrowings, and, if necessary, proceeds from other forms of capital issuance.

Net cash provided by operating activities was \$1.0 billion for the three months ended March 31, 2018, compared to \$0.5 billion for the same period of 2017. Cash flows were positively impacted by higher oil prices in the first three months of 2018 as compared to the same period in 2017. The impact of the chemical and the midstream and marketing segments on overall cash flows is typically less significant than the impact of the oil and gas segment because these segments are smaller.

Occidental's net cash used by investing activities was \$1.0 billion for the first three months of 2018, compared to \$0.7 billion for the same period of 2017. Capital expenditures for the first three months of 2018 were \$1.0 billion of which \$0.9 billion was for the oil and gas segment, compared to \$0.7 billion for the first three months of 2017 of which \$0.6 billion was for the oil and gas segment. The first quarter of 2018 also reflected \$0.3 billion of cash received from the sale of assets and \$0.2 billion of cash paid for the purchase of assets.

Occidental's net cash used by financing activities was \$104 million for the three months of 2018, compared to net cash used by financing activities of \$0.6 billion for the same period of 2017. Cash used by financing activities for the first quarter of 2018 included the first quarter dividend payment of \$0.6 billion, payment of \$0.5 billion of 1.5-percent senior notes that were due February of 2018 and proceeds from the issuance of \$1.0 billion of 4.2-percent senior notes due 2048.

As of March 31, 2018, Occidental was in compliance with all covenants of its financing agreements and had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

## **Environmental Liabilities and Expenditures**

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and are expected to rise in the future. Occidental factors environmental expenditures for its operations into its business planning process as an integral part of producing quality products responsive to market demand.

The laws that require or address environmental remediation, including CERCLA and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

Refer to Note 7, *Environmental Liabilities and Expenditures*, in the *Notes to the Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q and to the *Environmental Liabilities and Expenditures* section of *Management's Discussion and Analysis of Financial Condition and Results of Operations* in the 2017 Form 10-K for



additional information regarding Occidental's environmental expenditures.

### **Lawsuits, Claims, Commitments and Contingencies**

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental remediation matters. Reserve balances for other matters as of March 31, 2018, and December 31, 2017, were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses which it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations. For further information, see Note 8, *Lawsuits, Claims, Commitments and Contingencies*, in the *Notes to Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q.

### **Recently Adopted Accounting and Disclosure Changes**

See Note 3, *Accounting and Disclosure Changes*, in the *Notes to Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

For the three months ended March 31, 2018, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the 2017 Form 10-K.

### **Item 4. Controls and Procedures**

Occidental's President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of March 31, 2018.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the first three months of 2018 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

## **PART II OTHER INFORMATION**

### **Item 1. Legal Proceedings**

For information regarding other legal proceedings, see Note 8, *Lawsuits, Claims, Commitments and Contingencies* in the *Notes to Consolidated Condensed Financial Statements*, in Part I Item 1 of this Form 10-Q, and Part I Item 3, "Legal Proceedings" in the 2017 Form 10-K.

## Item 6.Exhibits

- 4.1\* [Indenture, dated as of August 18, 2011, between Occidental and The Bank of New York Mellon Trust Company, N.A. \(filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental filed August 19, 2011, File No. 1-9210\).](#)
- 4.2\* [Officers' Certificate of Occidental Petroleum Corporation dated March 2, 2018 establishing the 4.20% Senior Notes due 2048 \(filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated February 28, 2018 \(date of earliest event reported\), filed March 2, 2018, File No. 1-9210\).](#)
- 4.3\* [Form of 4.20% Senior Notes due 2048 \(included as Exhibit A to Exhibit 4.2\) \(filed as Exhibit 4.3 to the Current Report on Form 8-K of Occidental dated February 28, 2018 \(date of earliest event reported\), filed March 2, 2018, File No. 1-9210\).](#)
- 4.4\* [Second amendment to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan \(filed as Exhibit 4.5 to the Registration Statement on Form S-8 of Occidental filed May 4, 2018, File No. 333-224691\).](#)
- 10.1 [Form of 2018 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Total Shareholder Return Incentive Award.](#)
- 10.2 [Form of 2018 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Restricted Stock Unit Incentive Award.](#)
- 10.3 [Form of 2018 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Cash Return on Capital Employed Incentive Award.](#)
- 12 [Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended March 31, 2018, and 2017, and for each of the five years in the period ended December 31, 2017.](#)
- 31.1 [Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS XBRL Instance Document.
- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.

\* Incorporated herein by reference

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE May 8, 2018

/s/ Jennifer M. Kirk

\_\_\_\_\_  
Jennifer M. Kirk  
Vice President, Controller and  
Principal Accounting Officer

**OCCIDENTAL PETROLEUM CORPORATION  
2015 LONG-TERM INCENTIVE PLAN**

**NOTICE OF GRANT  
OF TOTAL SHAREHOLDER RETURN INCENTIVE AWARD  
(Equity-based and Equity-settled Award)**

Pursuant to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as the same may be amended from time to time (the "**Plan**"), OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**Occidental**" and, with its Subsidiaries, the "**Company**"), grants you (the "**Grantee**") an award on the terms and conditions set forth herein (the "**Award**"). By accepting this Award, the Grantee agrees, to the extent not contrary to applicable law, to (i) the terms and conditions of the Plan and this Notice of Grant of Total Shareholder Return Incentive Award (the "**Notice of Grant**"), (ii) the Standard Award Terms and Conditions set out on Attachment 1 hereto, including the arbitration provisions thereof (the "**Terms and Conditions**"), and (iii) the General Terms of Employment set out on Attachment 2 hereto, which, in the case of (ii) and (iii), are incorporated in this Notice of Grant by reference. Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. This Notice of Grant (along with the Terms and Conditions and all other incorporated attachments and exhibits) and the Award evidenced hereby are collectively referred to as the "**Award Agreement**."

*Date of Grant:*

*Award Type and Description:*

Restricted Stock Units granted pursuant to Section 6(e) of the Plan that have been designated as a Performance Award under Section 6(k) of the Plan (referred to herein as "**Performance Shares**"), which Award is a bookkeeping entry that represents the right to receive a number of shares of Stock up to 200% of the Target Performance Shares (defined below), subject to the terms and conditions of the Award Agreement.

The Grantee's right to receive payment of this Award in an amount ranging from 0% to 200% of the number of Target Performance Shares, rounded up to the nearest whole share, shall vest and become earned and nonforfeitable upon (i) the Grantee's satisfaction of the continued service requirements described below under "**Vesting Schedule and Forfeiture**" and (ii) the Committee's certification of the level of achievement of the Performance Goal (defined below). The number of Performance Shares actually earned upon satisfaction of the foregoing requirements are referred to herein as the "**Earned Performance Shares**."

*Target Number of Shares:*

See Morgan Stanley "StockPlan Connect/Stock-Based Awards/Awarded" for the target number of Performance Shares subject to the Award (the "**Target Performance Shares**").

*Performance Period:*

*Vesting Schedule and Forfeiture:*

Vesting Date. The Grantee must remain in the continuous employ of the Company from the Date of Grant through the last day of the Performance Period (the "**Vesting Date**") to be eligible to receive payment of this Award, subject to the level of achievement of the Performance Goal. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence.

Termination of Employment. Notwithstanding the foregoing, if, prior to the Vesting Date, the Grantee (i) dies, or (ii) becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (iii) retires with the consent of the Company less than 12 months after the Date of Grant, or (iv) is terminated by the Company without Cause (each of the foregoing, a "**Forfeiture Event**"), then the number of Target Performance Shares will be reduced on a pro rata basis to the number obtained by multiplying the total number of Target Performance Shares granted by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the Forfeiture Event and the denominator of which is the total number of days in the Performance Period. Such remaining pro rata unvested Target Performance Shares shall remain eligible for payment following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period or the occurrence of a Change in Control, and all other Target Performance Shares shall be immediately forfeited. If the Grantee retires with the consent of the Company 12 months or more after the Date of Grant but prior to the Vesting Date, then none of the Target Performance Shares will be reduced or forfeited and the Grantee will remain eligible to receive payment with respect to all Target Performance Shares following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period. If the Grantee terminates employment voluntarily or is terminated for Cause before the Vesting Date, then the Award will terminate automatically on the date of the Grantee's termination and the Grantee shall immediately forfeit all Target Performance Shares.

Change in Control. If a Change in Control occurs following a Forfeiture Event, then the unvested Target Performance Shares (as reduced as a result of the Forfeiture Event) shall become immediately vested

and nonforfeitable and deemed to be Earned Performance Shares as of the date of the Change in Control (without regard to the level of achievement of the Performance Goal). For the avoidance of doubt, Target Performance Shares previously forfeited as a result of the Forfeiture Event shall not become vested pursuant to this paragraph.

If a Forfeiture Event has not occurred and a Change in Control occurs prior to the Vesting Date, then 100% of the Target Performance Shares will be deemed to be Earned Performance Shares and will automatically convert into the same number of shares of Restricted Stock. The shares of Restricted Stock may not be transferred, assigned, sold, pledged, exchanged or otherwise encumbered or disposed of by the Grantee, except as provided for within the Plan, and are subject to a risk of forfeiture. In order for restrictions to lapse and the shares of Restricted Stock to become vested and nonforfeitable, the Grantee must remain in the continuous employ of the Company from the date of the Change in Control through the earlier to occur of (i) the Vesting Date or (ii) the date within 12 months following the date of the Change in Control on which the Grantee's employment is terminated by the Company without Cause or by the Grantee for Good Reason (the "**CIC Related Vesting Date**"); provided, that, for the avoidance of doubt, vesting of the shares of Restricted Stock shall not be subject to any level of attainment of the Performance Goal, which shall be waived upon occurrence of the Change in Control. In addition, the Grantee shall be deemed to have a CIC Related Vesting Date (A) on the date at any time following the occurrence of a Change in Control and prior to the Vesting Date on which the Grantee dies or becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (B) if the Grantee has accrued 12 months of continuous employment with the Company following the Change in Control, on the date following the 12 month anniversary of the Change in Control date and prior to the Vesting Date on which the Grantee's employment is terminated by the Company without Cause or the Grantee retires with the consent of the Company; provided, that in the case of clause (A) or (B) of this sentence, the number of shares of Restricted Stock which shall become vested and nonforfeitable on the applicable CIC Related Vesting Date shall equal the total number of shares of Restricted Stock multiplied by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the CIC Related Vesting Date and the denominator of which is the total number of days in the Performance Period. For the avoidance of doubt, the occurrence of a Change in Control is not intended to change the protections provided to the Grantee in the event of the Grantee's death or permanent disability occurring prior to a Change in Control, other than waiver of any level of attainment of the Performance Goal. Except as otherwise provided in the Award Agreement, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock received upon conversion of Earned Performance Shares pursuant to this paragraph, including the right to vote such shares and, subject to the terms and conditions described below under "*Dividends, Voting and Other Rights*," to receive any dividends that may be paid thereon; provided, that any and all such dividends shall be subject to the same restrictions as the underlying shares of Restricted Stock. The foregoing provisions of this paragraph shall not apply if, prior to the occurrence of the Change in Control, the Committee determines in its discretion that such event will not accelerate vesting of this Award. Any such determination by the Committee is binding on the Grantee.

*Performance Goal:* The "**Performance Goal**" for the Performance Period is based on relative total shareholder return (referred to as "total stockholder return" in the Plan) ("**TSR**") of the Peer Companies (defined below), as described herein. The Committee may adjust the Performance Goal as permitted by the Plan.

Peer Companies. In addition to Occidental, the "**Peer Companies**" are Anadarko Petroleum Corporation, Apache Corporation, Canadian Natural Resources Limited, Chevron Corporation, ConocoPhillips, Devon Energy Corporation, EOG Resources, Inc., ExxonMobil Corporation, Hess Corporation, Marathon Oil Corporation, and Total S.A. If at any time during the Performance Period, a Peer Company is acquired, ceases to exist, ceases to be a publicly-traded company, files for bankruptcy, spins off 25% or more of its assets, or sells all or substantially all of its assets, then such company will be removed and treated as if it had never been a Peer Company and the achievement of the Performance Goal will be determined with respect to the remaining Peer Companies.

#### Calculation of TSR.

TSR shall be calculated for each Peer Company using (i) the average of its last reported sale price per share of common stock on the New York Stock Exchange ("**NYSE**")—Composite Transactions for each trading day during the 30 calendar days beginning with the first day of the Performance Period and (ii) the average of its last reported sale price per share of common stock on the NYSE—Composite Transactions for each trading day during the 30 calendar days ending with the last day of the Performance Period. At the end of the Performance Period, the TSR of each Peer Company shall be calculated by the Committee in its good faith discretion, and the ranking of Occidental's TSR compared to the TSR of each other Peer Company shall determine the percentage of the Target Performance Shares that may become Earned Performance Shares as follows:

If Occidental's TSR is negative for the Performance Period, the number of Earned Performance Shares will be limited to the Target Performance Shares. At the end of the Performance Period, the TSR of Occidental shall be calculated by the Committee in its good faith discretion using (i) the average of Occidental's last reported sale price per share of Stock on the NYSE—Composite Transactions for each trading day during the 30 calendar days beginning with the first day of the Performance Period and (ii) the average of Occidental's last reported sale price per share of Stock on the NYSE—Composite Transactions for each trading day during the 30 calendar days ending with the last day of the Performance Period.

**Payment of Award:** Payment for Earned Performance Shares will be made solely in shares of Stock (in shares of Restricted Stock, in the case of the occurrence of a Change in Control), which will be issued to the Grantee as promptly as practicable after the Committee's certification of attainment of the Performance Goal (which such payment and certification shall occur no later than 70 days following the end of the Performance Period) or the occurrence of a Change in Control (which such payment shall occur no later than 70 days following the date of the Change in Control), as applicable (the "**Payment Trigger Date**"), and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Performance Shares are no longer subject to a substantial risk of forfeiture.

**Dividends, Voting and Other Rights:** Performance Shares are not shares of Stock and have no voting rights or, except as described in this paragraph, dividend rights. With respect to each Performance Share subject to this Award, the Grantee is also awarded Dividend Equivalents with respect to one share of Stock, which means that, in the event that Occidental declares and pays a cash dividend on its outstanding Stock and, on the record date for such dividend, the Grantee holds Performance Shares that have not been settled (including settlement through conversion into Restricted Stock) or forfeited pursuant to the terms of the Award Agreement, then the Grantee will be credited on the books and records of Occidental with an amount equal to the amount per share of any such cash dividend for each outstanding Performance Share. The Grantee will be credited with such Dividend Equivalents for the period beginning on the Date of Grant and ending on the applicable Payment Trigger Date or, if earlier, the date the Grantee forfeits his rights with respect to the Performance Shares. Occidental will pay in cash to the Grantee an amount equal to (i) the Dividend Equivalents credited to such Grantee, adjusted as necessary to reflect the number of Earned Performance Shares, plus (ii) if applicable, the amount of any cash dividends accumulated with respect to any shares of Restricted Stock received as described above under "**Vesting Schedule and Forfeiture—Change in Control**," as promptly as may be practicable after (A) the Committee certifies the attainment of the Performance Goal, or (B) if a Change in Control has occurred, the earlier to occur of the Vesting Date and the CIC Related Vesting Date, as applicable, and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Dividend Equivalents or dividends, as applicable, are no longer subject to a substantial risk of forfeiture. For purposes of clarity, if Performance Shares or shares of Restricted Stock are forfeited by the Grantee, then the Grantee shall also forfeit the Dividend Equivalents and/or dividends, if any, accrued with respect to such Performance Shares and/or shares of Restricted Stock.

## ATTACHMENT 1

### OCCIDENTAL PETROLEUM CORPORATION 2015 LONG-TERM INCENTIVE PLAN STANDARD AWARD TERMS AND CONDITIONS

The following Standard Award Terms and Conditions (these "**Terms and Conditions**") are set forth as of the Date of Grant specified in the Notice of Grant to which these Terms and Conditions are attached (the "**Notice of Grant**"), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**Occidental**" and, with its Subsidiaries, the "**Company**"), and the eligible individual (the "**Grantee**") receiving the award described in the Notice of Grant (the "**Award**"). The Award is granted in accordance with the Occidental Petroleum Corporation 2015 Long Term Incentive Plan, as the same may be amended from time to time (the "**Plan**"). Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. These Terms and Conditions, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the "**Award Agreement**."

**1. Acceptance of Award.** If the Grantee fails to accept the Award on or before the 45<sup>th</sup> day following the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Stock and any dividend equivalents with respect thereto) and the Award will become null and void. For purposes of this Section 1, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

**2. No Employment Contract.** Nothing in the Award Agreement confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

**3. Restrictions on Transfer.** Neither the Award Agreement nor any right to receive shares of Stock or cash pursuant to the Award Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer restrictions set forth in the Plan.

**4. Taxes and Withholding.**

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount, if any,

actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, as applicable, the grant, vesting or settlement of the Award and the receipt of any dividends or Dividend Equivalents thereon; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any other aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee (i) in connection with the vesting of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant (other than the crediting and payment of any dividends or Dividend Equivalents, as applicable), from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award, in any combination as determined by the Committee, or (ii) in connection with the granting of the Award or the crediting and payment of any dividends or Dividend Equivalents, as applicable, first from the cash payable pursuant to the Award (including any dividends or Dividend Equivalents) and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of the Award that cannot be satisfied by the means previously described.

**5. Compliance with Law.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws, and the Company will not issue any shares of Stock or other securities pursuant to the Award Agreement if such issuance would result in a violation of any such law. Further, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of the Award, then the Award may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

**6. Relation to Other Benefits.** The benefits received by the Grantee under the Award Agreement will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. The grant of the Award does not create any contractual or other right to receive future grants of, or benefits in lieu of, awards under the Plan, even if Grantee has a history of receiving awards under the Plan or other cash or stock awards.

**7. Beneficial Ownership Requirements.** If the Grantee (a) was a Named Executive Officer for the last completed fiscal year prior to vesting of the Award, and (b) is, as of the date of vesting of the Award, subject to Occidental's Executive Stock Ownership Guidelines, as in effect from time to time (the "**Ownership Guidelines**"), and the Grantee's Stock holdings fail as of such date to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall retain Beneficial Ownership of shares of Stock equal to not less than 50% of the net after-tax shares of Stock, if any, received under the Award until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the "**Beneficial Ownership Period**"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act, and the aggregate number of shares of Stock reported as Beneficially Owned during the Beneficial Ownership Period shall not be less than the sum of the number of shares of Stock then required to be so owned pursuant to this Award Agreement and the terms and conditions of any other grant containing this or a similar requirement. For purposes of this Section 7, the term "**Beneficial Ownership**" has the meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act and the term "**Named Executive Officer**" has the meaning ascribed in Item 402 of Regulation S-K under the Exchange Act.

**8. Golden Parachute Policy.** Notwithstanding any provision in the Award Agreement to the contrary, no payment shall be made with respect to the Award that would cause the total payments made to the Grantee to exceed the limits in Occidental's Golden Parachute Policy, as in effect from time to time.

**9. Adjustments.** The number and kind of shares of Stock covered by the Award are subject to adjustment pursuant to the allowances set forth in the Plan in order to prevent dilution or expansion of the Grantee's rights under the Award as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

**10. Amendments.** The Plan may be amended, altered, suspended, discontinued or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to the Award Agreement to the

extent it is applicable to the Award; however, no amendment may materially and adversely affect the rights of the Grantee under the Award Agreement without the Grantee's consent. In addition, the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate the Award Agreement, except as otherwise provided in the Plan; provided, that, without the Grantee's consent, no such Committee action may materially and adversely affect the rights of the Grantee under the Award.

**11. Severability.** If one or more of the provisions of the Award Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

**12. Entire Agreement; Relation to Plan; Interpretation.** Except as specifically provided in this Section 12, the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) constitutes the entire agreement between the Company and the Grantee with respect to the Award. The Award Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between the Award Agreement and the Plan, the provisions of the Plan control. References to Sections and Attachments are to Sections of, and Attachments incorporated in, the Award Agreement unless otherwise noted. In the event of any inconsistent provisions between the Award Agreement and any employment agreement between the Grantee and the Company, the provisions of the Award Agreement control, except with respect to Section 22 below.

**13. Successors and Assigns.** Subject to any transfer or forfeiture restrictions set forth in the Notice of Grant, the provisions of the Award Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

**14. Beneficiaries.**

(a) The Grantee shall have the option of designating a beneficiary ("**Beneficiary**") to receive settlement of, or exercise (as applicable), the Grantee's Award upon the Grantee's death.

(b) If no Beneficiary is designated at the time of the Grantee's death, or if no Beneficiary survives the Grantee, the Beneficiary shall be the Grantee's surviving spouse, or if the Grantee has no surviving spouse, the Grantee's surviving children equally, or if there are no surviving children, the Grantee's surviving parents equally, or if there is no surviving parent, the Grantee's surviving siblings equally, or if there is no sibling living, the Grantee's estate.

(c) In order to designate a Beneficiary or change a previous designation, the Grantee must complete a Long-Term Incentive Beneficiary Designation Form (beneficiary designations submitted on other forms or in any other format will not be accepted). The Grantee should read the Long-Term Incentive Beneficiary Form carefully, follow the instructions and complete the form in its entirety according to the instructions, obtain any necessary signatures according to the form, sign and date the form, and return to Executive Compensation Department, c/o Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas, 77046. The Grantee should also keep a copy of the form for the Grantee's records. Upon acceptance, the Grantee's designation will cancel any previous designations. The Grantee's Beneficiary designation shall not affect any designation by the Grantee under any other benefit plan.

(d) The Grantee should consider submitting a new Beneficiary designation if: (1) the Grantee's marital status changes, (2) one of the Grantee's previously designated Beneficiaries dies before the Grantee, or (3) the Grantee acquires or loses dependents. To determine the tax consequences associated with the Grantee's designation, it is recommended that the Grantee consult with a qualified tax advisor or estate planner.

**15. Governing Law.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits).

**16. Privacy Rights.** By accepting the Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Award Agreement by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of the Award or any other entitlement to cash or shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("**Data**"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting the Award, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request

additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

**17. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Award or future awards that may be granted under the Plan, if any, by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

**18. Grantee's Representations and Releases.**

(a) By accepting the Award, the Grantee acknowledges that the Grantee has read the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) and understands that (i) the grant of the Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect Subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a Subsidiary) to whom the Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) the Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any shares of Stock issued and/or the future amount of cash, if any, payable pursuant to the Award cannot be predicted and Occidental does not assume liability in the event the Award or any such shares of Stock have no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to the Award or the Grantee's participation in the Plan.

(b) In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or the shares of Stock issued pursuant to the Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

**19. Imposition of Other Requirements.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**20. Compliance with Section 409A of the Code.** Unless specified otherwise in the Notice of Grant, all amounts payable pursuant to the Award are intended to comply with the "short term deferral" exception in the Nonqualified Deferred Compensation Rules, and the Company shall take all reasonable actions in order to settle the Award within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rule.

**21. Clawback.** The award shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

**22. Arbitration.** Except as otherwise provided in this Award Agreement, Grantee and Company agree to resolve any and all disputes between Grantee and the Company (and any affiliate of the Company that may employ Grantee), past, present or future, arising out of or in any way related to this Award Agreement or Grantee's employment relationship with the Company (or any affiliate of the Company) through a final and binding arbitration administered by the American Arbitration Association (AAA) or another mutually agreed upon arbitration provider; provided, however, that the only claims subject to arbitration shall be



those that, in the absence of this Award Agreement, could be brought in a court of law. Nothing herein shall be construed to reduce or eliminate the deference to the Plan Administrator that would otherwise be required prior to, or as part of a claim in court, procedurally or substantively. Subject to the foregoing, the arbitrator shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Award Agreement that would otherwise be subject to resolution in a court of law. However, the Arbitrator's authority to resolve disputes shall not apply to the **"Class Action Waiver"** described below. Regardless of anything else in this Award Agreement and/or AAA rules or procedures, any dispute relating to the interpretation, applicability, or enforceability of the Class Action Waiver, or any dispute otherwise relating to whether this Award Agreement precludes a class or collective action proceeding, may only be determined by a court and not an arbitrator. In addition, provisional remedies such as a temporary restraining order or preliminary injunction may be pursued and secured in a court to prevent irreparable harm by either party without waiving or otherwise eliminating the requirement that all matters of final relief be decided through arbitration. In addition, any arbitration conducted pursuant to this Award Agreement shall be subject to the following additional terms and conditions:

(a) **Exceptions.** The arbitration obligation does not apply to claims for worker's compensation, state disability insurance and unemployment insurance benefits; however, it does apply to retaliation claims based upon seeking such benefits. It does not apply to claims for employee benefits under any benefit plan covered by the Employee Retirement Income Security Act of 1974 or funded by insurance unless the claim can otherwise be brought in a court of law (after the exhaustion of an administrative or alternative remedies otherwise applicable to the claim). It does not apply to any claim that an applicable federal statute or applicable federal Executive Order expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement. Nothing in this Award Agreement prevents the making of a report to or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, Securities and Exchange Commission, Occupational Health and Safety Administration, or National Labor Relations Board. Nothing in this Award Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Award Agreement. And, nothing in this agreement to arbitrate prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration.

(b) **Controlling Law and Procedure.** The Federal Arbitration Act ("**FAA**") shall govern this Award Agreement to arbitrate between the parties, including its interpretation, applicability, enforcement and all arbitration proceedings. A party who wishes to arbitrate a claim or dispute covered by this Award Agreement must make a written request for arbitration and deliver it to the other party by hand or mail no later than the expiration of the statute of limitations (the deadline for filing the claim) that applicable law prescribes for the claim. The request for arbitration shall identify the claims asserted, the factual basis for the claim(s), and the relief and/or remedy sought. The arbitrator shall resolve all disputes regarding the timeliness or propriety of the request for arbitration and apply the statute of limitations that would have applied if the claim(s) had been brought in court. In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations.

(c) **Class Waiver.** Grantee and Company agree to bring any claim or dispute in arbitration on an individual basis only, and not as a class or collective action; Grantee and Company waive any right for a dispute or claim to be brought, heard, or decided as a class or collective action, and the arbitrator has no power or authority to preside over a class or collective action ("**Class Action Waiver**"). In the event a final judicial determination is made that the Class Action Waiver is unenforceable and that a class or collective action may proceed despite this arbitration agreement, the arbitrator is nevertheless without authority to preside over a class or collective action and any class or collective action must be brought in a court of competent jurisdiction. Additionally, unless otherwise agreed to by the parties, claims may not be combined or consolidated with that of any other person or entity.

(d) **Arbitration Procedure.** Except as otherwise provided for herein, the arbitration will be conducted in accordance with the AAA Employment Arbitration Rules (the "**AAA Rules**"), in effect on the date the written notice of claims request for arbitration is made. The AAA rules are available on-line at [www.adr.org](http://www.adr.org). To the extent that any of the AAA Rules conflicts with the FAA or this Award Agreement, the FAA and this Award Agreement shall control. The arbitrator shall entertain and address any motion to dismiss and/or a motion for summary judgment consistent with the standards for such motions under the Federal Rules of Civil Procedure. The arbitrator may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in their individual capacity for the claims presented to the arbitrator. The arbitrator shall apply the substantive federal, state, or local law applicable to the claims asserted. The arbitrator is without authority to apply any different substantive law. The award shall be issued in writing and state the essential findings and conclusions on which such award is based. The parties agree to abide by and perform any valid award rendered by the arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof.

(e) **Right to Opt-Out.** This arbitration agreement is not a mandatory condition of employment. If Grantee does not wish to be bound by the arbitration obligations created by this Award Agreement, the Grantee can elect not to accept the Award.

(f) **Enforcement and Severability.** This arbitration agreement survives after the employment relationship terminates. Subject to the Class Action Waiver Section above, if any portion of this arbitration agreement is deemed unenforceable, the unenforceable provision or language shall be severed from this Award Agreement and the remainder will be enforceable.

## ATTACHMENT 2

To the fullest extent permitted by law, and subject to the limitations provided for in Sections F and G:

A. Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates (the “**Company Group**”), any Confidential Information of any of them (whether generated by them or as a result of any of their business relationships), without first obtaining the written permission of an officer of the Company. As used herein, “**Confidential Information**” means an item of information or compilation of information in any form (tangible or intangible) related to the business of the Company Group that Grantee acquires during employment and that the Company Group has not made public or authorized public disclosure of, provided that the item or compilation is not readily available to persons outside the Company Group through proper means who would benefit from its use or disclosure and is not obligated to maintain its confidentiality. Confidential Information is also understood to cover the information protected under Company’s Confidential Company Information Policy 10:20:80, as it may be amended from time to time.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Company Group (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee’s possession or control.

C. The Grantee will, during the Grantee’s employment by the Company or any member of the Company Group, comply with the provisions of Occidental’s Code of Business Conduct.

D. Grantee will not interfere with or disrupt any of the operations of the Company Group or otherwise take actions intended directly to harm any entity in the Company Group. Grantee will not make defamatory or derogatory statements about the Company Group, or its owners, officers or directors (“**Occidental Parties**”), or intentionally publicize information about Occidental Parties to the public or the investment community (through the press, electronic media, or any other mass media or communication outlet) without permission of an officer of the Company; provided, however, that the foregoing shall not prohibit conduct that is protected by law as described in Sections F and G below.

E. In the event that Grantee is subject to an “Intellectual Property Assignment and Nondisclosure Agreement” (“**IPANA**”) with the Company or a member of the Company Group, the IPANA shall control the rights of the Grantee with respect to intellectual property conceived or created by the Grantee in accordance with the IPANA’s terms, and Grantee will comply with such agreement as a mandatory term of the General Terms of Employment provided herein. In the event Grantee is not subject to a controlling IPANA, all inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by a member of the Company Group, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of a member of the Company Group (collectively “**Proprietary Works**”) shall be a work-for-hire and become and remain the property of the Company (or other member of the Company Group that employs Grantee), its successors and assigns. Grantee hereby fully and finally, assigns and transfers to the Company (or other member of the Company Group that employs Grantee), all of Grantee’s right, title and interest in the Proprietary Works. This assignment covers all rights of every kind and character, including without limitation all rights necessary to provide Company with all of the benefits of exclusive ownership and control over the Proprietary Works to the fullest extent allowed by law throughout the world, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof.

F. Grantee acknowledges that through the Company’s Speak-Up and Non-Retaliation Policy (Policy No. 91:80:00), Grantee has been notified of his or her immunity rights related to the use trade secret information of the Company Group in the reporting illegal conduct or in a claim of retaliation for reporting illegal conduct as provided for under the Defend Trade Secrets Act of 2016 (18 U.S.C. §1833(b)(DTSA), and Grantee has been provided the Company’s reporting policy regarding the reporting of suspected illegal conduct.

G. Grantee understands that the purpose of this statement of General Terms of Employment is to reinforce the protection of the trade secrets, Confidential Information and other intellectual property interests of the Company and Company Group, and not to prohibit any conduct by Grantee that is compelled by law or protected by law. Grantee recognizes that nothing in these General Terms of Employment prohibits Grantee from reporting an event that Grantee reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission), and that no prior approval from or notice to the Company is required before doing so. In addition, nothing in these General Terms of Employment shall be construed to prohibit Grantee from cooperating in an investigation conducted by a duly authorized government agency, and in the course of such conduct disclosing trade secrets or Confidential Information in a manner that complies with the DTSA (described in the Company’s Speak-Up and Non-Retaliation Policy).

H. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Award granted pursuant to this Award Agreement and termination of employment.

OCCIDENTAL PETROLEUM CORPORATION

2015 LONG-TERM INCENTIVE PLAN

NOTICE OF GRANT

OF RESTRICTED STOCK UNIT INCENTIVE AWARD

(Time Vesting: Equity-settled Award; Section 16 Officers)

Pursuant to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental" and, with its Subsidiaries, the "Company"), grants you (the "Grantee") an award on the terms and conditions set forth herein (the "Award"). By accepting this Award, the Grantee agrees, to the extent not contrary to applicable law, to (i) the terms and conditions of the Plan and this Notice of Grant of Restricted Stock Unit Incentive Award (the "Notice of Grant"), (ii) the Standard Award Terms and Conditions set out on Attachment 1 hereto, including the arbitration provisions thereof (the "Terms and Conditions"), and (iii) the General Terms of Employment set out on Attachment 2 hereto, which, in the case of (ii) and (iii), are incorporated in this Notice of Grant by reference. Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. This Notice of Grant (along with the Terms and Conditions and all other incorporated attachments and exhibits) and the Award evidenced hereby are collectively referred to as the "Award Agreement."

Date of Grant:

Award Type and Description:

Restricted Stock Units granted pursuant to Section 6(e) of the Plan, which Award is a bookkeeping entry that represents the right to receive a number of shares of Stock up to the number indicated below under "Number of Shares," subject to the terms and conditions of the Award Agreement.

The Grantee's right to receive payment of this Award shall vest and become nonforfeitable upon the Grantee's satisfaction of the continued service requirements described below under "Time Vesting Schedule and Forfeiture."

Number of Shares:

See Morgan Stanley "StockPlan Connect/Stock-Based Awards/ Awarded" for the total number of Restricted Stock Units subject to the Award.

Time Vesting Schedule and Forfeiture:

Vesting Date. The Grantee must remain in the continuous employ of the Company from the Date of Grant through each applicable vesting date (each, a "Vesting Date"), in accordance with the schedule below, to be eligible to receive payment of this Award. The vesting schedule shall begin on \_\_\_\_\_(the "Vesting Start Date").

Vesting Date

Fraction of Restricted Stock Units Vesting

1/3  
1/3  
1/3

The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence.

Termination of Employment. Notwithstanding the foregoing, if, prior to any Vesting Date, the Grantee (i) dies, or (ii) becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (iii) retires with the consent of the Company, or (iv) is terminated by the Company without Cause (each of the foregoing, a "**Forfeiture Event**"), then the number of unvested Restricted Stock Units will be reduced on a pro rata basis to the number obtained by (A) multiplying the total number of Restricted Stock Units by a fraction, the numerator of which is the number of days between the Vesting Start Date and the Forfeiture Event and the denominator of which is the number of days between the Vesting Start Date and the final Vesting Date, and (B) subtracting from the product the number of Restricted Stock Units that previously vested, if any (the "**Pro Rata Unvested RSUs**"). Such Pro Rata Unvested RSUs shall immediately vest and become nonforfeitable on the date of the Forfeiture Event, and all other Restricted Stock Units that have not previously vested shall be immediately forfeited. If the Grantee terminates employment voluntarily or is terminated for Cause before any Vesting Date, then the Award will terminate automatically on the date of the Grantee's termination and the Grantee shall immediately forfeit all unvested Restricted Stock Units.

Change in Control. If a Forfeiture Event has not occurred and a Change in Control occurs prior to the final Vesting Date and the Grantee's employment is terminated by the Company without Cause or by the Grantee for Good Reason, in either case within 12 months following the date of such Change in Control, then the number of unvested Restricted Stock Units (determined after applying the preceding sentence, if applicable) will be reduced on a pro rata basis to the number obtained by (i) multiplying the total number of Restricted Stock Units by a fraction, the numerator of which is the number of days between the Vesting Start Date and the date the Grantee's employment was so terminated (such date, the "**CIC Related Vesting Date**"), and the denominator of which is the number of days between the Vesting Start Date and the final Vesting Date, and (ii) subtracting from the product the number of Restricted Stock Units that previously vested, if any; and all other Restricted Stock Units that remain unvested as of the CIC Related Vesting Date shall be immediately forfeited. In addition, the Grantee shall be deemed to have a CIC Related Vesting Date such that the treatment in the preceding sentence shall apply (A) on the date at any time following the occurrence of a Change in Control and prior to the final Vesting Date on which the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or retires with the consent of the Company, or (B) if the Grantee has accrued 12 months of continuous employment with the Company following the Change in Control, on the date following the 12 month anniversary of the Change in Control date and prior to the final Vesting Date on which the Grantee's employment is terminated by the Company without Cause. For the avoidance of doubt, the occurrence of a Change in Control is not intended to change the protections provided to the Grantee in the event of the Grantee's death, permanent disability, or retirement with consent of the Company occurring prior to the Change in Control. Such remaining pro rata unvested Restricted Stock Units shall immediately vest and become nonforfeitable on the CIC Related Vesting Date, unless, prior to the occurrence of the Change in Control, the Committee determines in its discretion that such event will not accelerate vesting of any of the Restricted Stock Units covered by this Award. Any such determination by the Committee is binding on the Grantee.

*Payment of Award:* Payment for vested Restricted Stock Units will be made solely in shares of Stock, which will be issued to the Grantee as promptly as practicable after the Vesting Date, Forfeiture Event or CIC Related Vesting Date, as applicable (the "**Payment Trigger Date**"), and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Restricted Stock Units are no longer subject to a substantial risk of forfeiture.

Notwithstanding the foregoing, in the event the Award is determined to be subject to Nonqualified Deferred Compensation Rules, all payments hereunder will be made no later than the end of the year in which the Payment Trigger Date occurs, except to the extent Section 9(n) of the Plan requires payment on the Grantee's Section 409A Payment Date.

*Dividends, Voting and Other Rights:*

Restricted Stock Units are not shares of Stock and have no voting rights or, except as described in this paragraph, dividend rights. With respect to each Restricted Stock Unit subject to this Award, the Grantee is also awarded Dividend Equivalents with respect to one share of Stock, which means that, in the event that Occidental declares and pays a cash dividend on its outstanding Stock and, on the record date for such dividend, the Grantee holds Restricted Stock Units that have not been settled or forfeited pursuant to the terms of the Award Agreement, then the Grantee will be credited on the books and records of Occidental with an amount equal to the amount per share of any such cash dividend for each outstanding Restricted Stock Unit. The Grantee will be credited with such Dividend Equivalents for the period beginning on the Date of Grant and ending on the applicable Payment Trigger Date or, if earlier, the date the Grantee forfeits his rights with respect to the Restricted Stock Units. The Dividend Equivalents will be accumulated and Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee as promptly as may be practicable on or after each Vesting Date, and in any event no later than the 15th day of the third month following the end of each taxable year in which the Dividend Equivalents are no longer subject to a substantial risk of forfeiture.

For purposes of clarity, if Restricted Stock Units are forfeited by the Grantee, then the Grantee shall also forfeit the Dividend Equivalents, if any, accrued with respect to such Restricted Stock Units.

*Holding Period:*

The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_.

Notwithstanding the immediately preceding paragraph, to the extent that the Grantee is subject to Occidental's Executive Stock Ownership Guidelines, as in effect from time to time (the "**Ownership Guidelines**"), and the Grantee's Stock holdings fail, as of the last day of an applicable holding period set forth in the immediately preceding paragraph, to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall continue to retain Beneficial Ownership (as defined below) of all shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on the related Vesting Date until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the "**Beneficial Ownership Period**"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act. For purposes of this paragraph, the term "**Beneficial Ownership**" has the meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act.

Notwithstanding the immediately preceding two paragraphs, upon a Grantee's separation of employment with Occidental, such Grantee shall no longer be subject to the two-year holding requirement or Occidental's Executive Stock Ownership Guidelines.

## ATTACHMENT 1

### OCCIDENTAL PETROLEUM CORPORATION 2015 LONG-TERM INCENTIVE PLAN STANDARD AWARD TERMS AND CONDITIONS

The following Standard Award Terms and Conditions (these "**Terms and Conditions**") are set forth as of the Date of Grant specified in the Notice of Grant to which these Terms and Conditions are attached (the "**Notice of Grant**"), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**Occidental**" and, with its Subsidiaries, the "**Company**"), and the eligible individual (the "**Grantee**") receiving the award described in the Notice of Grant (the "**Award**"). The Award is granted in accordance with the Occidental Petroleum Corporation 2015 Long Term Incentive Plan, as the same may be amended from time to time (the "**Plan**"). Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. These Terms and Conditions, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the "**Award Agreement**."

**1. Acceptance of Award.** If the Grantee fails to accept the Award on or before the 45<sup>th</sup> day following the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Stock and any dividend equivalents with respect thereto) and the Award will become null and void. For purposes of this Section 1, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

**2. No Employment Contract.** Nothing in the Award Agreement confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

**3. Restrictions on Transfer.** Neither the Award Agreement nor any right to receive shares of Stock or cash pursuant to the Award Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer restrictions set forth in the Plan.

**4. Taxes and Withholding.**

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, as applicable, the grant, vesting or settlement of the Award and the receipt of any dividends or Dividend Equivalents thereon; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any other aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee (i) in connection with the vesting of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant (other than the crediting and payment of any dividends or Dividend Equivalents, as applicable), from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award, in any combination as determined by the Committee, or (ii) in connection with the granting of the Award or the crediting and payment of any dividends or Dividend Equivalents, as applicable, first from the cash payable pursuant to the Award (including any dividends or Dividend Equivalents) and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of the Award that cannot be satisfied by the means previously described.

**5. Compliance with Law.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws, and the Company will not issue any shares of Stock or other securities pursuant to the Award Agreement if such issuance would result in a violation of any such law. Further, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of the Award, then the Award may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

**6. Relation to Other Benefits.** The benefits received by the Grantee under the Award Agreement will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. The grant of the Award does not create any contractual or other right to receive future grants of, or benefits in lieu of, awards under the Plan, even if Grantee has a history of receiving awards under the Plan or other cash or stock awards.

**7. Beneficial Ownership Requirements.** If the Grantee (a) was a Named Executive Officer for the last completed fiscal year prior to vesting of the Award, and (b) is, as of the date of vesting of the Award, subject to Occidental's Executive Stock Ownership Guidelines, as in effect from time to time (the "**Ownership Guidelines**"), and the Grantee's Stock holdings fail as of such date to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall retain Beneficial Ownership of shares of Stock equal to not less than 50% of the net after-tax shares of Stock, if any, received under the Award until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the "**Beneficial Ownership Period**"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act, and the aggregate number of shares of Stock reported as Beneficially Owned during the Beneficial Ownership Period shall not be less than the sum of the number of shares of Stock then required to be so owned pursuant to this Award Agreement and the terms and conditions of any other grant containing this or a similar requirement. For purposes of this Section 7, the term "**Beneficial Ownership**" has the meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act and the term "**Named Executive Officer**" has the meaning ascribed in Item 402 of Regulation S-K under the Exchange Act.



8. **Golden Parachute Policy.** Notwithstanding any provision in the Award Agreement to the contrary, no payment shall be made with respect to the Award that would cause the total payments made to the Grantee to exceed the limits in Occidental's Golden Parachute Policy, as in effect from time to time.

9. **Adjustments.** The number and kind of shares of Stock covered by the Award are subject to adjustment pursuant to the allowances set forth in the Plan in order to prevent dilution or expansion of the Grantee's rights under the Award as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

10. **Amendments.** The Plan may be amended, altered, suspended, discontinued or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to the Award Agreement to the extent it is applicable to the Award; however, no amendment may materially and adversely affect the rights of the Grantee under the Award Agreement without the Grantee's consent. In addition, the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate the Award Agreement, except as otherwise provided in the Plan; provided, that, without the Grantee's consent, no such Committee action may materially and adversely affect the rights of the Grantee under the Award.

11. **Severability.** If one or more of the provisions of the Award Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

12. **Entire Agreement; Relation to Plan; Interpretation.** Except as specifically provided in this Section 12, the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) constitutes the entire agreement between the Company and the Grantee with respect to the Award. The Award Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between the Award Agreement and the Plan, the provisions of the Plan control. References to Sections and Attachments are to Sections of, and Attachments incorporated in, the Award Agreement unless otherwise noted. In the event of any inconsistent provisions between the Award Agreement and any employment agreement between the Grantee and the Company, the provisions of the Award Agreement control, except with respect to Section 22 below.

13. **Successors and Assigns.** Subject to any transfer or forfeiture restrictions set forth in the Notice of Grant, the provisions of the Award Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. **Beneficiaries.**

(a) The Grantee shall have the option of designating a beneficiary ("**Beneficiary**") to receive settlement of, or exercise (as applicable), the Grantee's Award upon the Grantee's death.

(b) If no Beneficiary is designated at the time of the Grantee's death, or if no Beneficiary survives the Grantee, the Beneficiary shall be the Grantee's surviving spouse, or if the Grantee has no surviving spouse, the Grantee's surviving children equally, or if there are no surviving children, the Grantee's surviving parents equally, or if there is no surviving parent, the Grantee's surviving siblings equally, or if there is no sibling living, the Grantee's estate.

(c) In order to designate a Beneficiary or change a previous designation, the Grantee must complete a Long-Term Incentive Beneficiary Designation Form (beneficiary designations submitted on other forms or in any other format will not be accepted). The Grantee should read the Long-Term Incentive Beneficiary Form carefully, follow the instructions and complete the form in its entirety according to the instructions, obtain any necessary signatures according to the form, sign and date the form, and return to Executive Compensation Department, c/o Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas, 77046. The Grantee should also keep a copy of the form for the Grantee's records. Upon acceptance, the Grantee's designation will cancel any previous designations. The Grantee's Beneficiary designation shall not affect any designation by the Grantee under any other benefit plan.

(d) The Grantee should consider submitting a new Beneficiary designation if: (1) the Grantee's marital status changes, (2) one of the Grantee's previously designated Beneficiaries dies before the Grantee, or (3) the Grantee acquires or loses dependents. To determine the tax consequences associated with the Grantee's designation, it is recommended that the Grantee consult with a qualified tax advisor or estate planner.

**15. Governing Law.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits).

**16. Privacy Rights.** By accepting the Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Award Agreement by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of the Award or any other entitlement to cash or shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("**Data**"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting the Award, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

**17. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Award or future awards that may be granted under the Plan, if any, by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

**18. Grantee's Representations and Releases.**

(a) By accepting the Award, the Grantee acknowledges that the Grantee has read the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) and understands that (i) the grant of the Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect Subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a Subsidiary) to whom the Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) the Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any shares of Stock issued and/or the future amount of cash, if any, payable pursuant to the Award cannot be predicted and Occidental does not assume liability in the event the Award or any such shares of Stock have no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to the Award or the Grantee's participation in the Plan.

(b) In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or the shares of Stock issued pursuant to the Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

**19. Imposition of Other Requirements.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**20. Compliance with Section 409A of the Code.** Unless specified otherwise in the Notice of Grant, all amounts payable pursuant to the Award are intended to comply with the "short term deferral" exception in the Nonqualified Deferred Compensation Rules, and the Company shall take all reasonable actions in order to settle the Award within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the

Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rule.

**21. Clawback.** The award shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

**22. Arbitration.** Except as otherwise provided in this Award Agreement, Grantee and Company agree to resolve any and all disputes between Grantee and the Company (and any affiliate of the Company that may employ Grantee), past, present or future, arising out of or in any way related to this Award Agreement or Grantee's employment relationship with the Company (or any affiliate of the Company) through a final and binding arbitration administered by the American Arbitration Association (AAA) or another mutually agreed upon arbitration provider; provided, however, that the only claims subject to arbitration shall be those that, in the absence of this Award Agreement, could be brought in a court of law. Nothing herein shall be construed to reduce or eliminate the deference to the Plan Administrator that would otherwise be required prior to, or as part of a claim in court, procedurally or substantively. Subject to the foregoing, the arbitrator shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Award Agreement that would otherwise be subject to resolution in a court of law. However, the Arbitrator's authority to resolve disputes shall not apply to the "**Class Action Waiver**" described below. Regardless of anything else in this Award Agreement and/or AAA rules or procedures, any dispute relating to the interpretation, applicability, or enforceability of the Class Action Waiver, or any dispute otherwise relating to whether this Award Agreement precludes a class or collective action proceeding, may only be determined by a court and not an arbitrator. In addition, provisional remedies such as a temporary restraining order or preliminary injunction may be pursued and secured in a court to prevent irreparable harm by either party without waiving or otherwise eliminating the requirement that all matters of final relief be decided through arbitration. In addition, any arbitration conducted pursuant to this Award Agreement shall be subject to the following additional terms and conditions:

(a) **Exceptions.** The arbitration obligation does not apply to claims for worker's compensation, state disability insurance and unemployment insurance benefits; however, it does apply to retaliation claims based upon seeking such benefits. It does not apply to claims for employee benefits under any benefit plan covered by the Employee Retirement Income Security Act of 1974 or funded by insurance unless the claim can otherwise be brought in a court of law (after the exhaustion of an administrative or alternative remedies otherwise applicable to the claim). It does not apply to any claim that an applicable federal statute or applicable federal Executive Order expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement. Nothing in this Award Agreement prevents the making of a report to or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, Securities and Exchange Commission, Occupational Health and Safety Administration, or National Labor Relations Board. Nothing in this Award Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Award Agreement. And, nothing in this agreement to arbitrate prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration.

(b) **Controlling Law and Procedure.** The Federal Arbitration Act ("**FAA**") shall govern this Award Agreement to arbitrate between the parties, including its interpretation, applicability, enforcement and all arbitration proceedings. A party who wishes to arbitrate a claim or dispute covered by this Award Agreement must make a written request for arbitration and deliver it to the other party by hand or mail no later than the expiration of the statute of limitations (the deadline for filing the claim) that applicable law prescribes for the claim. The request for arbitration shall identify the claims asserted, the factual basis for the claim(s), and the relief and/or remedy sought. The arbitrator shall resolve all disputes regarding the timeliness or propriety of the request for arbitration and apply the statute of limitations that would have applied if the claim(s) had been brought in court. In no event shall the request for arbitration be made after the date when

institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations.

(c) **Class Waiver.** Grantee and Company agree to bring any claim or dispute in arbitration on an individual basis only, and not as a class or collective action; Grantee and Company waive any right for a dispute or claim to be brought, heard, or decided as a class or collective action, and the arbitrator has no power or authority to preside over a class or collective action ("**Class Action Waiver**"). In the event a final judicial determination is made that the Class Action Waiver is unenforceable and that a class or collective action may proceed despite this arbitration agreement, the arbitrator is nevertheless without authority to preside over a class or collective action and any class or collective action must be brought in a court of competent jurisdiction. Additionally, unless otherwise agreed to by the parties, claims may not be combined or consolidated with that of any other person or entity.

(d) **Arbitration Procedure.** Except as otherwise provided for herein, the arbitration will be conducted in accordance with the AAA Employment Arbitration Rules (the "**AAA Rules**"), in effect on the date the written notice of claims request for arbitration is made. The AAA rules are available on-line at [www.adr.org](http://www.adr.org). To the extent that any of the AAA Rules conflicts with the FAA or this Award Agreement, the FAA and this Award Agreement shall control. The arbitrator shall entertain and address any motion to dismiss and/or a motion for summary judgment consistent with the standards for such motions under the Federal Rules of Civil Procedure. The arbitrator may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in their individual capacity for the claims presented to the arbitrator. The arbitrator shall apply the substantive federal, state, or local law applicable to the claims asserted. The arbitrator is without authority to apply any different substantive law. The award shall be issued in writing and state the essential findings and conclusions on which such award is based. The parties agree to abide by and perform any valid award rendered by the arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof.

(e) **Right to Opt-Out.** This arbitration agreement is not a mandatory condition of employment. If Grantee does not wish to be bound by the arbitration obligations created by this Award Agreement, the Grantee can elect not to accept the Award.

(f) **Enforcement and Severability.** This arbitration agreement survives after the employment relationship terminates. Subject to the Class Action Waiver Section above, if any portion of this arbitration agreement is deemed unenforceable, the unenforceable provision or language shall be severed from this Award Agreement and the remainder will be enforceable.

## ATTACHMENT 2

### OCCIDENTAL PETROLEUM CORPORATION 2015 LONG-TERM INCENTIVE PLAN GENERAL TERMS OF EMPLOYMENT

To the fullest extent permitted by law, and subject to the limitations provided for in Sections F and G:

A. Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates (the “**Company Group**”), any Confidential Information of any of them (whether generated by them or as a result of any of their business relationships), without first obtaining the written permission of an officer of the Company. As used herein, “**Confidential Information**” means an item of information or compilation of information in any form (tangible or intangible) related to the business of the Company Group that Grantee acquires during employment and that the Company Group has not made public or authorized public disclosure of, provided that the item or compilation is not readily available to persons outside the Company Group through proper means who would benefit from its use or disclosure and is not obligated to maintain its confidentiality. Confidential Information is also understood to cover the information protected under Company’s Confidential Company Information Policy 10:20:80, as it may be amended from time to time.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Company Group (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee’s possession or control.

C. The Grantee will, during the Grantee’s employment by the Company or any member of the Company Group, comply with the provisions of Occidental’s Code of Business Conduct.

D. Grantee will not interfere with or disrupt any of the operations of the Company Group or otherwise take actions intended directly to harm any entity in the Company Group. Grantee will not make defamatory or derogatory statements about the Company Group, or its owners, officers or directors (“**Occidental Parties**”), or intentionally publicize information about Occidental Parties to the public or the investment community (through the press, electronic media, or any other mass media or communication outlet) without permission of an officer of the Company; provided, however, that the foregoing shall not prohibit conduct that is protected by law as described in Sections F and G below.

E. In the event that Grantee is subject to an “Intellectual Property Assignment and Nondisclosure Agreement” (“**IPANA**”) with the Company or a member of the Company Group, the IPANA shall control the rights of the Grantee with respect to intellectual property conceived or created by the Grantee in accordance with the IPANA’s terms, and Grantee will comply with such agreement as a mandatory term of the General Terms of Employment provided herein. In the event Grantee is not subject to a controlling IPANA, all inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by a member of the Company Group, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of a member of the Company Group (collectively “**Proprietary Works**”) shall be a work-

for-hire and become and remain the property of the Company (or other member of the Company Group that employs Grantee), its successors and assigns. Grantee hereby fully and finally, assigns and transfers to the Company (or other member of the Company Group that employs Grantee), all of Grantee's right, title and interest in the Proprietary Works. This assignment covers all rights of every kind and character, including without limitation all rights necessary to provide Company with all of the benefits of exclusive ownership and control over the Proprietary Works to the fullest extent allowed by law throughout the world, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof.

F. Grantee acknowledges that through the Company's Speak-Up and Non-Retaliation Policy (Policy No. 91:80:00), Grantee has been notified of his or her immunity rights related to the use trade secret information of the Company Group in the reporting illegal conduct or in a claim of retaliation for reporting illegal conduct as provided for under the Defend Trade Secrets Act of 2016 (18 U.S.C. §1833(b)(DTSA), and Grantee has been provided the Company's reporting policy regarding the reporting of suspected illegal conduct.

G. Grantee understands that the purpose of this statement of General Terms of Employment is to reinforce the protection of the trade secrets, Confidential Information and other intellectual property interests of the Company and Company Group, and not to prohibit any conduct by Grantee that is compelled by law or protected by law. Grantee recognizes that nothing in these General Terms of Employment prohibits Grantee from reporting an event that Grantee reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission), and that no prior approval from or notice to the Company is required before doing so. In addition, nothing in these General Terms of Employment shall be construed to prohibit Grantee from cooperating in an investigation conducted by a duly authorized government agency, and in the course of such conduct disclosing trade secrets or Confidential Information in a manner that complies with the DTSA (described in the Company's Speak-Up and Non-Retaliation Policy).

H. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Award granted pursuant to this Award Agreement and termination of employment.

OCCIDENTAL PETROLEUM CORPORATION  
2015 LONG-TERM INCENTIVE PLAN

NOTICE OF GRANT  
OF CASH RETURN ON CAPITAL EMPLOYED INCENTIVE AWARD  
(Equity-based and Equity-settled Award)

Pursuant to the Occidental Petroleum Corporation 2015 Long-Term Incentive Plan, as the same may be amended from time to time (the "**Plan**"), OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**Occidental**" and, with its Subsidiaries, the "**Company**"), grants you (the "**Grantee**") an award on the terms and conditions set forth herein (the "**Award**"). By accepting this Award, the Grantee agrees, to the extent not contrary to applicable law, to (i) the terms and conditions of the Plan and this Notice of Grant of Cash Return on Capital Employed (the "**Notice of Grant**"), (ii) the Standard Award Terms and Conditions set out on Attachment 1 hereto, including the arbitration provisions thereof (the "**Terms and Conditions**"), and (iii) the General Terms of Employment set out on Attachment 2 hereto, which, in the case of (ii) and (iii), are incorporated in this Notice of Grant by reference. Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. This Notice of Grant (along with the Terms and Conditions and all other incorporated attachments and exhibits) and the Award evidenced hereby are collectively referred to as the "**Award Agreement**."

*Date of Grant:*

*Award Type and Description:* Restricted Stock Units granted pursuant to Section 6(e) of the Plan that have been designated as a Performance Award under Section 6(k) of the Plan (referred to herein as "**Performance Shares**"), which Award is a bookkeeping entry that represents the right to receive a number of shares of Stock up to 200% of the Target Performance Shares (defined below), subject to the terms and conditions of the Award Agreement.

The Grantee's right to receive payment of this Award in an amount ranging from 0% to 200% of the number of Target Performance Shares, rounded up to the nearest whole share, shall vest and become earned and nonforfeitable upon (i) the Grantee's satisfaction of the continued service requirements described below under "**Vesting Schedule and Forfeiture**" and (ii) the Committee's certification of the level of achievement of the Performance Goal (defined below). The number of Performance Shares actually earned upon satisfaction of the foregoing requirements are referred to herein as the "**Earned Performance Shares**."

*Target Number of Shares:* See Morgan Stanley "StockPlan Connect/Stock-Based Awards/Awarded" for the target number of Performance Shares subject to the Award (the "**Target Performance Shares**").

*Performance Period:*



*Vesting Schedule  
and Forfeiture:*

Vesting Date. The Grantee must remain in the continuous employ of the Company from the Date of Grant through the last day of the Performance Period (the "**Vesting Date**") to be eligible to receive payment of this Award, subject to the level of achievement of the Performance Goal. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence.

Termination of Employment. Notwithstanding the foregoing, if, prior to the Vesting Date, the Grantee (i) dies, or (ii) becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (iii) retires with the consent of the Company less than 12 months after the Date of Grant, or (iv) is terminated by the Company without Cause (each of the foregoing, a "**Forfeiture Event**"), then the number of Target Performance Shares will be reduced on a pro rata basis to the number obtained by multiplying the total number of Target Performance Shares granted by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the Forfeiture Event and the denominator of which is the total number of days in the Performance Period. Such remaining pro rata unvested Target Performance Shares shall remain eligible for payment following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period or the occurrence of a Change in Control, and all other Target Performance Shares shall be immediately forfeited. If the Grantee retires with the consent of the Company 12 months or more after the Date of Grant but prior to the Vesting Date, then none of the Target Performance Shares will be reduced or forfeited and the Grantee will remain eligible to receive payment with respect to all Target Performance Shares following the date of the Forfeiture Event, subject to the level of achievement of the Performance Goal at the end of the Performance Period. If the Grantee terminates employment voluntarily or is terminated for Cause before the Vesting Date, then the Award will terminate automatically on the date of the Grantee's termination and the Grantee shall immediately forfeit all Target Performance Shares.

Change in Control. If a Change in Control occurs following a Forfeiture Event, then the unvested Target Performance Shares (as reduced as a result of the Forfeiture Event) shall become immediately vested and nonforfeitable and deemed to be Earned Performance Shares as of the date of the Change in Control (without regard to the level of achievement of the Performance Goal). For the avoidance of doubt, Target Performance Shares previously forfeited as a result of the Forfeiture Event shall not become vested pursuant to this paragraph.

If a Forfeiture Event has not occurred and a Change in Control occurs prior to the Vesting Date, then 100% of the Target Performance Shares will be deemed to be Earned Performance Shares and will automatically convert into the same number of shares of Restricted Stock. The shares of Restricted Stock may not be transferred, assigned, sold, pledged, exchanged or otherwise encumbered or disposed of by the Grantee, except as provided for within the Plan, and are subject to a risk of forfeiture. In order for restrictions to lapse and the shares of Restricted Stock to become vested and nonforfeitable, the Grantee must remain in the continuous employ of the Company from the date of the Change in Control through the earlier to occur of (i) the Vesting Date or (ii) the date within 12 months following the date of the Change in Control on which the Grantee's employment is terminated by the Company without Cause or by the Grantee for Good Reason (the "**CIC Related Vesting Date**"); provided, that, for the avoidance of doubt, vesting of the shares of Restricted Stock shall not be subject to any level of attainment of the Performance Goal, which shall be waived upon occurrence of the Change in Control. In addition, the Grantee shall be deemed to have a CIC Related Vesting Date (A) on the date at any time following the occurrence of a Change in Control and prior to the Vesting Date on which the Grantee dies or becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, or (B) if the Grantee has accrued 12 months of continuous employment with the Company following the Change in Control, on the date following the 12 month anniversary of the Change in Control date and prior to the Vesting Date on which the Grantee's employment is terminated by the Company without Cause or the Grantee retires with the consent of the Company; provided, that in the case of clause (A) or (B) of this sentence, the number of shares of Restricted Stock which shall become vested and nonforfeitable on the applicable CIC Related Vesting Date shall equal the total number of shares of Restricted Stock multiplied by a fraction, the numerator of which is the number of days between the first day of the Performance Period and the CIC Related Vesting Date and the denominator of which is the total number of days in the Performance Period. For the avoidance of doubt, the occurrence of a Change in Control is not intended to change the protections provided to the Grantee in the event of the Grantee's death or permanent disability occurring prior to a Change in Control, other than waiver of any level of attainment of the Performance Goal. Except as otherwise provided in the Award Agreement, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock received upon conversion of Earned Performance Shares pursuant to this paragraph, including the right to vote such shares and, subject to the terms and conditions described below under "*Dividends, Voting and Other Rights*," to receive any dividends that may be paid thereon; provided, that any and all such dividends shall be subject to the same restrictions as the underlying shares of Restricted Stock. The foregoing provisions of this paragraph shall not apply if, prior to the occurrence of the Change in Control, the Committee determines in its discretion that such event will not accelerate vesting of this Award. Any such determination by the Committee is binding on the Grantee.

*Performance Goal:* The “**Performance Goal**” for the Performance Period is based on the attainment of at least a minimum Cash Return on Capital Employed (“CROCE”), as set forth below.

Calculation of CROCE. Cash Return on Capital Employed shall be the percentage obtained by dividing (i) the sum of annual net income attributable to common stock for the Company, after adding back depreciation, depletion and amortization and after-tax interest expense, for each year in the Performance Period, as reported in the Company’s Form 10-K by (ii) the average of total equity plus total debt for each year in the Performance Period, as reported in the Company’s Form 10-K. No adjustments will be made for full-year disposition impacts or non-operational/special item impacts. At the end of the Performance Period, the CROCE shall be calculated by the Committee in its good faith discretion, and the result of Occidental’s CROCE shall determine the percentage of the Target Performance Shares that may become Earned Performance Shares as follows:

If Occidental’s CROCE is above \_\_\_ % and below \_\_\_ % at the end of the Performance Period, the number of Earned Performance Shares shall be calculated using linear interpolation such that an amount of Target Performance Shares between \_\_\_ and \_\_\_ % become Earned Performance Shares.

*Payment of Award:* Payment for Earned Performance Shares will be made solely in shares of Stock (in shares of Restricted Stock, in the case of the occurrence of a Change in Control), which will be issued to the Grantee as promptly as practicable after the Committee’s certification of attainment of the Performance Goal (which such payment and certification shall occur no later than 70 days following the end of the Performance Period) or the occurrence of a Change in Control (which such payment shall occur no later than 70 days following the date of the Change in Control), as applicable (the “**Payment Trigger Date**”), and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Performance Shares are no longer subject to a substantial risk of forfeiture.

*Dividends, Voting and Other Rights:* Performance Shares are not shares of Stock and have no voting rights or, except as described in this paragraph, dividend rights. With respect to each Performance Share subject to this Award, the Grantee is also awarded Dividend Equivalents with respect to one share of Stock, which means that, in the event that Occidental declares and pays a cash dividend on its outstanding Stock and, on the record date for such dividend, the Grantee holds Performance Shares that have not been settled (including settlement through conversion into Restricted Stock) or forfeited pursuant to the terms of the Award Agreement, then the Grantee will be credited on the books and records of Occidental with an amount equal to the amount per share of any such cash dividend for each outstanding Performance Share. The Grantee will be credited with such Dividend Equivalents for the period beginning on the Date of Grant and ending on the applicable Payment Trigger Date or, if earlier, the date the Grantee forfeits his rights with respect to the Performance Shares. Occidental will pay in cash to the Grantee an amount equal to (i) the Dividend Equivalents credited to such Grantee, adjusted as necessary to reflect the number of Earned Performance Shares, plus (ii) if applicable, the amount of any cash dividends accumulated with respect to any shares of Restricted Stock received as described above under “*Vesting Schedule and Forfeiture—Change in Control,*” as promptly as may be practicable after (A) the Committee certifies the attainment of the Performance Goal, or (B) if a Change in Control has occurred, the earlier to occur of the Vesting Date and the CIC Related Vesting Date, as applicable, and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Dividend Equivalents or dividends, as applicable, are no longer subject to a substantial risk of forfeiture. For purposes of clarity, if Performance Shares or shares of Restricted Stock are forfeited by the Grantee, then the Grantee shall also forfeit the Dividend Equivalents and/or dividends, if any, accrued with respect to such Performance Shares and/or shares of Restricted Stock.

## ATTACHMENT 1

### OCCIDENTAL PETROLEUM CORPORATION 2015 LONG-TERM INCENTIVE PLAN STANDARD AWARD TERMS AND CONDITIONS

The following Standard Award Terms and Conditions (these "**Terms and Conditions**") are set forth as of the Date of Grant specified in the Notice of Grant to which these Terms and Conditions are attached (the "**Notice of Grant**"), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**Occidental**" and, with its Subsidiaries, the "**Company**"), and the eligible individual (the "**Grantee**") receiving the award described in the Notice of Grant (the "**Award**"). The Award is granted in accordance with the Occidental Petroleum Corporation 2015 Long Term Incentive Plan, as the same may be amended from time to time (the "**Plan**"). Capitalized terms used but not defined herein shall, unless otherwise indicated, have the meanings set forth in the Plan. These Terms and Conditions, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the "**Award Agreement**."

**1. Acceptance of Award.** If the Grantee fails to accept the Award on or before the 45<sup>th</sup> day following the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Stock and any dividend equivalents with respect thereto) and the Award will become null and void. For purposes of this Section 1, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

**2. No Employment Contract.** Nothing in the Award Agreement confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

**3. Restrictions on Transfer.** Neither the Award Agreement nor any right to receive shares of Stock or cash pursuant to the Award Agreement may be transferred or assigned by the Grantee other than in accordance with the transfer restrictions set forth in the Plan.

**4. Taxes and Withholding.**

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount, if any, actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, as applicable, the grant, vesting or settlement of the Award and the receipt of any dividends or Dividend Equivalents thereon; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any other aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee (i) in connection with the vesting of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant (other than the crediting and payment of any dividends or Dividend Equivalents, as applicable), from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award, in any combination as determined by the Committee, or (ii) in connection with the granting of the Award or the crediting and payment of any dividends or Dividend Equivalents, as applicable, first from the cash payable pursuant to the Award (including any dividends or Dividend Equivalents) and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of the Award that cannot be satisfied by the means previously described.

**5. Compliance with Law.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. laws, and the Company will not issue any shares of Stock or other securities pursuant to the Award Agreement if such issuance would result in a violation of any such law. Further, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of the Award, then the Award may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

**6. Relation to Other Benefits.** The benefits received by the Grantee under the Award Agreement will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. The grant of the Award does not create any contractual or other right to receive future grants of, or benefits in lieu of, awards under the Plan, even if Grantee has a history of receiving awards under the Plan or other cash or stock awards.

**7. Beneficial Ownership Requirements.** If the Grantee (a) was a Named Executive Officer for the last completed fiscal year prior to vesting of the Award, and (b) is, as of the date of vesting of the Award, subject to Occidental's Executive Stock Ownership Guidelines, as in effect from time to time (the "**Ownership Guidelines**"), and the Grantee's Stock holdings fail as of such date to satisfy the applicable requirements of the Ownership Guidelines, then the Grantee shall retain Beneficial Ownership of shares of Stock equal to not less than 50% of the net after-tax shares of Stock, if any, received under the Award until the Grantee satisfies the applicable requirements of the Ownership Guidelines (the "**Beneficial Ownership Period**"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4 and 5, as applicable, pursuant to Section 16(a) of the Exchange Act, and the aggregate number of shares of Stock reported as Beneficially Owned during the Beneficial Ownership Period shall not be less than the sum of the number of shares of Stock then required to be so owned pursuant to this Award Agreement and the terms and conditions of any other grant containing this or a similar requirement. For purposes of this Section 7, the term "**Beneficial Ownership**" has the meaning ascribed in Rule 16a-1(a)(2) under the Exchange Act and the term "**Named Executive Officer**" has the meaning ascribed in Item 402 of Regulation S-K under the Exchange Act.

**8. Golden Parachute Policy.** Notwithstanding any provision in the Award Agreement to the contrary, no payment shall be made with respect to the Award that would cause the total payments made to the Grantee to exceed the limits in Occidental's Golden Parachute Policy, as in effect from time to time.

**9. Adjustments.** The number and kind of shares of Stock covered by the Award are subject to adjustment pursuant to the allowances set forth in the Plan in order to prevent dilution or expansion of the Grantee's rights under the Award as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

**10. Amendments.** The Plan may be amended, altered, suspended, discontinued or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to the Award Agreement to the extent it is applicable to the Award; however, no amendment may materially and adversely affect the rights of the Grantee under the Award Agreement without the Grantee's consent. In addition, the Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate the Award Agreement, except as otherwise provided in the Plan; provided, that, without the Grantee's consent, no such Committee action may materially and adversely affect the rights of the Grantee under the Award.

**11. Severability.** If one or more of the provisions of the Award Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

**12. Entire Agreement; Relation to Plan; Interpretation.** Except as specifically provided in this Section 12, the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) constitutes the entire agreement between the Company and the Grantee with respect to the Award. The Award Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between the Award Agreement and the Plan, the provisions of the Plan control. References to Sections and Attachments are to Sections of, and Attachments incorporated in, the Award Agreement unless otherwise noted. In the event of any inconsistent provisions between the Award Agreement and any employment agreement between the Grantee and the Company, the provisions of the Award Agreement control, except with respect to Section 22 below.

**13. Successors and Assigns.** Subject to any transfer or forfeiture restrictions set forth in the Notice of Grant, the provisions of the Award Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

**14. Beneficiaries.**

(a) The Grantee shall have the option of designating a beneficiary ("**Beneficiary**") to receive settlement of, or exercise (as applicable), the Grantee's Award upon the Grantee's death.

(b) If no Beneficiary is designated at the time of the Grantee's death, or if no Beneficiary survives the Grantee, the Beneficiary shall be the Grantee's surviving spouse, or if the Grantee has no surviving spouse, the Grantee's surviving children equally, or if there are no surviving children, the Grantee's surviving parents equally, or if there is no surviving parent, the Grantee's surviving siblings equally, or if there is no sibling living, the Grantee's estate.

(c) In order to designate a Beneficiary or change a previous designation, the Grantee must complete a Long-Term Incentive Beneficiary Designation Form (beneficiary designations submitted on other forms or in any other format will not be accepted). The Grantee should read the Long-Term Incentive Beneficiary Form carefully, follow the instructions and complete the form in its entirety according to the instructions, obtain any necessary signatures according to the form, sign and date the form, and return to Executive Compensation Department, c/o Occidental Petroleum Corporation, 5 Greenway Plaza, Suite 110, Houston, Texas, 77046. The Grantee should also keep a copy of the form for the Grantee's records. Upon acceptance, the Grantee's designation will cancel any previous designations. The Grantee's Beneficiary designation shall not affect any designation by the Grantee under any other benefit plan.

(d) The Grantee should consider submitting a new Beneficiary designation if: (1) the Grantee's marital status changes, (2) one of the Grantee's previously designated Beneficiaries dies before the Grantee, or (3) the Grantee acquires or loses dependents. To determine the tax consequences associated with the Grantee's designation, it is recommended that the Grantee consult with a qualified tax advisor or estate planner.

**15. Governing Law.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits).

**16. Privacy Rights.** By accepting the Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Award Agreement by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of the Award or any other entitlement to cash or shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("**Data**"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting the Award, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

**17. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Award or future awards that may be granted under the Plan, if any, by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

**18. Grantee's Representations and Releases.**

(a) By accepting the Award, the Grantee acknowledges that the Grantee has read the Award Agreement (including these Terms and Conditions, the Notice of Grant and all incorporated attachments and exhibits) and understands that (i) the grant of the Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect Subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a Subsidiary) to whom the Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) the Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any shares of Stock issued and/or the future amount of cash, if any, payable pursuant to the Award cannot be predicted and Occidental does not assume liability in the event the Award or any such shares of Stock have no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to the Award or the Grantee's participation in the Plan.

(b) In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or the shares of Stock issued pursuant to the Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

**19. Imposition of Other Requirements.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**20. Compliance with Section 409A of the Code.** Unless specified otherwise in the Notice of Grant, all amounts payable pursuant to the Award are intended to comply with the "short term deferral" exception in the Nonqualified Deferred Compensation Rules, and the Company shall take all reasonable actions in order to settle the Award within the period necessary to qualify for such exception. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rule.

**21. Clawback.** The award shall be subject to the clawback provisions set forth in Section 9(m) of the Plan.

**22. Arbitration.** Except as otherwise provided in this Award Agreement, Grantee and Company agree to resolve any and all disputes between Grantee and the Company (and any affiliate of the Company that may employ Grantee), past, present or future, arising out of or in any way related to this Award Agreement or Grantee's employment relationship with the Company (or any affiliate of the Company) through a final and binding arbitration administered by the American Arbitration Association (AAA) or another mutually agreed upon arbitration provider; provided, however, that the only claims subject to arbitration shall be those that, in the absence of this Award Agreement, could be brought in a court of law. Nothing herein shall be construed to reduce or eliminate the deference to the Plan Administrator that would otherwise be required prior to, or as part of a claim in court, procedurally or substantively. Subject to the foregoing, the arbitrator shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Award Agreement that would otherwise be subject to resolution in a court of law. However, the Arbitrator's authority to resolve disputes shall not apply to the "**Class Action Waiver**" described below. Regardless of anything else in this Award Agreement and/or AAA rules or procedures, any dispute relating to the interpretation, applicability, or enforceability of the Class Action Waiver, or any dispute otherwise relating to whether this Award Agreement precludes a class or collective action proceeding, may only be determined by a court and not an arbitrator. In addition, provisional remedies such as a temporary restraining order or preliminary injunction may be pursued and secured in a court to prevent irreparable harm by either party without waiving or otherwise eliminating the requirement that all matters of final relief be decided through arbitration. In addition, any arbitration conducted pursuant to this Award Agreement shall be subject to the following additional terms and conditions:

(a) **Exceptions.** The arbitration obligation does not apply to claims for worker's compensation, state disability insurance and unemployment insurance benefits; however, it does apply to retaliation claims based upon seeking such benefits. It does not apply to claims for employee benefits under any benefit plan covered by the Employee Retirement Income Security Act of 1974 or funded by insurance unless the claim can otherwise be brought in a court of law (after the exhaustion of an administrative or alternative remedies otherwise applicable to the claim). It does not apply to any claim that an applicable federal statute or applicable federal Executive Order expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement. Nothing in this Award Agreement prevents the making of a report to or filing a claim or charge with a government agency, including without limitation the Equal Employment Opportunity Commission, U.S. Department of Labor, Securities and Exchange Commission, Occupational Health and Safety Administration, or National Labor Relations Board. Nothing in this Award Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Award Agreement. And, nothing in this agreement to arbitrate prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration.

(b) **Controlling Law and Procedure.** The Federal Arbitration Act (“**FAA**”) shall govern this Award Agreement to arbitrate between the parties, including its interpretation, applicability, enforcement and all arbitration proceedings. A party who wishes to arbitrate a claim or dispute covered by this Award Agreement must make a written request for arbitration and deliver it to the other party by hand or mail no later than the expiration of the statute of limitations (the deadline for filing the claim) that applicable law prescribes for the claim. The request for arbitration shall identify the claims asserted, the factual basis for the claim(s), and the relief and/or remedy sought. The arbitrator shall resolve all disputes regarding the timeliness or propriety of the request for arbitration and apply the statute of limitations that would have applied if the claim(s) had been brought in court. In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations.

(c) **Class Waiver.** Grantee and Company agree to bring any claim or dispute in arbitration on an individual basis only, and not as a class or collective action; Grantee and Company waive any right for a dispute or claim to be brought, heard, or decided as a class or collective action, and the arbitrator has no power or authority to preside over a class or collective action (“**Class Action Waiver**”). In the event a final judicial determination is made that the Class Action Waiver is unenforceable and that a class or collective action may proceed despite this arbitration agreement, the arbitrator is nevertheless without authority to preside over a class or collective action and any class or collective action must be brought in a court of competent jurisdiction. Additionally, unless otherwise agreed to by the parties, claims may not be combined or consolidated with that of any other person or entity.

(d) **Arbitration Procedure.** Except as otherwise provided for herein, the arbitration will be conducted in accordance with the AAA Employment Arbitration Rules (the “**AAA Rules**”), in effect on the date the written notice of claims request for arbitration is made. The AAA rules are available on-line at [www.adr.org](http://www.adr.org). To the extent that any of the AAA Rules conflicts with the FAA or this Award Agreement, the FAA and this Award Agreement shall control. The arbitrator shall entertain and address any motion to dismiss and/or a motion for summary judgment consistent with the standards for such motions under the Federal Rules of Civil Procedure. The arbitrator may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in their individual capacity for the claims presented to the arbitrator. The arbitrator shall apply the substantive federal, state, or local law applicable to the claims asserted. The arbitrator is without authority to apply any different substantive law. The award shall be issued in writing and state the essential findings and conclusions on which such award is based. The parties agree to abide by and perform any valid award rendered by the arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof.

(e) **Right to Opt-Out.** This arbitration agreement is not a mandatory condition of employment. If Grantee does not wish to be bound by the arbitration obligations created by this Award Agreement, the Grantee can elect not to accept the Award.

(f) **Enforcement and Severability.** This arbitration agreement survives after the employment relationship terminates. Subject to the Class Action Waiver Section above, if any portion of this arbitration agreement is deemed unenforceable, the unenforceable provision or language shall be severed from this Award Agreement and the remainder will be enforceable.

## ATTACHMENT 2

### OCCIDENTAL PETROLEUM CORPORATION 2015 LONG-TERM INCENTIVE PLAN GENERAL TERMS OF EMPLOYMENT

To the fullest extent permitted by law, and subject to the limitations provided for in Sections F and G:

A. Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates (the “**Company Group**”), any Confidential Information of any of them (whether generated by them or as a result of any of their business relationships), without first obtaining the written permission of an officer of the Company. As used herein, “**Confidential Information**” means an item of information or compilation of information in any form (tangible or intangible) related to the business of the Company Group that Grantee acquires during employment and that the Company Group has not made public or authorized public disclosure of, provided that the item or compilation is not readily available to persons outside the Company Group through proper means who would benefit from its use or disclosure and is not obligated to maintain its confidentiality. Confidential Information is also understood to cover the information protected under Company’s Confidential Company Information Policy 10:20:80, as it may be amended from time to time.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Company Group (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee’s possession or control.

C. The Grantee will, during the Grantee’s employment by the Company or any member of the Company Group, comply with the provisions of Occidental’s Code of Business Conduct.

D. Grantee will not interfere with or disrupt any of the operations of the Company Group or otherwise take actions intended directly to harm any entity in the Company Group. Grantee will not make defamatory or derogatory statements about the Company Group, or its owners, officers or directors (“**Occidental Parties**”), or intentionally publicize information about Occidental Parties to the public or the investment community (through the press, electronic media, or any other mass media or communication outlet) without permission of an officer of the Company; provided, however, that the foregoing shall not prohibit conduct that is protected by law as described in Sections F and G below.

E. In the event that Grantee is subject to an “Intellectual Property Assignment and Nondisclosure Agreement” (“**IPANA**”) with the Company or a member of the Company Group, the IPANA shall control the rights of the Grantee with respect to intellectual property conceived or created by the Grantee in accordance with the IPANA’s terms, and Grantee will comply with such agreement as a mandatory term of the General Terms of Employment provided herein. In the event Grantee is not subject to a controlling IPANA, all inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by a member of the Company Group, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of a member of the Company Group (collectively “**Proprietary Works**”) shall be a work-for-hire and become and remain the property of the Company (or other member of the Company Group that employs Grantee), its successors and assigns. Grantee hereby fully and finally, assigns and transfers to the Company (or other member of the Company Group that employs Grantee), all of Grantee’s right, title and interest in the Proprietary Works. This assignment covers all rights of every kind and character, including without limitation all rights necessary to provide Company with all of the benefits of exclusive ownership and control over the Proprietary Works to the fullest extent allowed by law throughout the world, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof.

F. Grantee acknowledges that through the Company’s Speak-Up and Non-Retaliation Policy (Policy No. 91:80:00), Grantee has been notified of his or her immunity rights related to the use trade secret information of the Company Group in the reporting illegal conduct or in a claim of retaliation for reporting illegal conduct as provided for under the Defend Trade Secrets Act of 2016 (18 U.S.C. §1833(b)(DTSA), and Grantee has been provided the Company’s reporting policy regarding the reporting of suspected illegal conduct.

G. Grantee understands that the purpose of this statement of General Terms of Employment is to reinforce the protection of the trade secrets, Confidential Information and other intellectual property interests of the Company and Company Group, and not to prohibit any conduct by Grantee that is compelled by law or protected by law. Grantee recognizes that nothing in these General Terms of Employment prohibits Grantee from reporting an event that Grantee reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission), and that no prior approval from or notice to the Company is required before doing so. In addition, nothing in these General Terms of Employment shall be construed to prohibit Grantee from cooperating in an investigation conducted by a duly authorized government agency, and in the course of such conduct disclosing trade secrets or Confidential Information in a manner that complies with the DTSA (described in the Company’s Speak-Up and Non-Retaliation Policy).

H. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee’s breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Award granted pursuant to this Award Agreement and termination of employment.



**OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES**  
**COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES**  
(Amounts in millions, except ratios)

	Three months ended March 31,		Year Ended December 31				
	2018	2017	2017	2016	2015	2014	2013
Income from continuing operations	\$ 708	\$ 117	\$ 1,311	\$ (1,002)	\$ (8,146)	\$ (130)	\$ 4,932
Add/(Subtract):							
Net income attributable to noncontrolling interest	—	—	—	—	—	(14)	—
Adjusted income from equity investments <sup>(a)</sup>	6	9	(60)	43	21	64	52
	<u>714</u>	<u>126</u>	<u>1,251</u>	<u>(959)</u>	<u>(8,125)</u>	<u>(80)</u>	<u>4,984</u>
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	113	(90)	(776)	(1,281)	(2,070)	(280)	1,353
Interest and debt expense	97	81	345	292	147	77	132
Portion of lease rentals representative of the interest factor	35	31	93	79	63	52	60
	<u>245</u>	<u>22</u>	<u>(338)</u>	<u>(910)</u>	<u>(1,860)</u>	<u>(151)</u>	<u>1,545</u>
Earnings before fixed charges	<u>\$ 959</u>	<u>\$ 148</u>	<u>\$ 913</u>	<u>\$ (1,869)</u>	<u>\$ (9,985)</u>	<u>\$ (231)</u>	<u>\$ 6,529</u>
Fixed charges:							
Interest and debt expense including capitalized interest	\$ 106	\$ 98	\$ 397	\$ 356	\$ 285	\$ 257	\$ 269
Portion of lease rentals representative of the interest factor	35	31	93	79	63	52	60
Total fixed charges	<u>\$ 141</u>	<u>\$ 129</u>	<u>\$ 490</u>	<u>\$ 435</u>	<u>\$ 348</u>	<u>\$ 309</u>	<u>\$ 329</u>
Ratio of earnings to fixed charges	6.78	1.15	1.86	(4.30)	(28.69)	(0.75)	19.83
Insufficient coverage	—	—	—	(2,304)	(10,333)	(540)	—

**Note:** Results of California Resources Corporation have been reflected as discontinued operations for all periods presented.

(a) Represents adjustments to arrive at distributed income from equity investees.

**RULE 13a – 14(a) / 15d – 14(a)**  
**CERTIFICATION**  
**PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Vicki Hollub, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2018

/s/ Vicki Hollub

\_\_\_\_\_  
Vicki Hollub

President and Chief Executive Officer

**RULE 13a – 14(a) / 15d – 14(a)**  
**CERTIFICATION**  
**PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cedric W. Burgher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2018

/s/ Cedric W. Burgher

Cedric W. Burgher

Senior Vice President and Chief Financial Officer

**CERTIFICATION OF CEO AND CFO PURSUANT TO  
18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
§ 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended March 31, 2018, as filed with the Securities and Exchange Commission on May 8, 2018 (the "Report"), Vicki Hollub, as Chief Executive Officer of the Company, and Cedric W. Burgher, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her or his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Vicki Hollub

Name: Vicki Hollub  
Title: President and Chief Executive Officer  
Date: May 8, 2018

/s/ Cedric W. Burgher

Name: Cedric W. Burgher  
Title: Senior Vice President and Chief Financial Officer  
Date: May 8, 2018

A signed original of this written statement required by Section 906 has been provided to Occidental Petroleum Corporation and will be retained by Occidental Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.